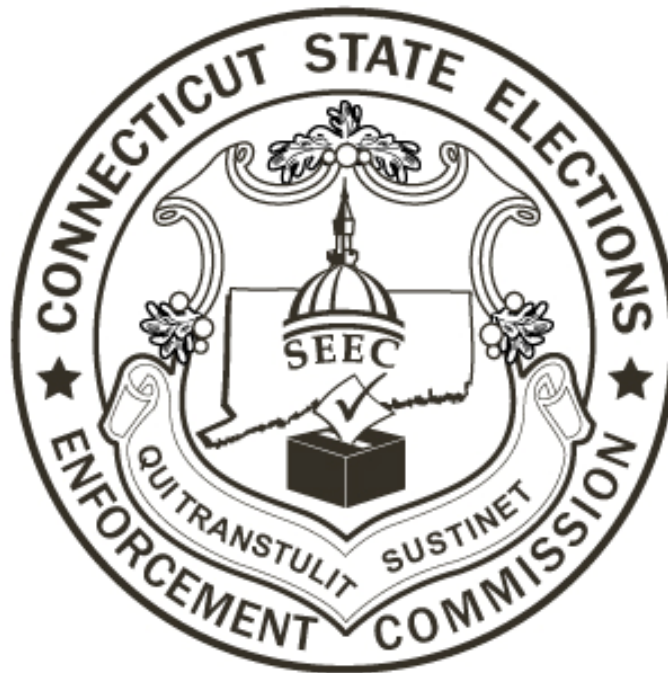


UNDERSTANDING THE CONNECTICUT CAMPAIGN FINANCE LAWS

A GUIDE FOR POLITICAL COMMITTEES (PACs)



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INTRODUCTION

This publication is designed to serve as a guide for groups and entities which desire to raise and expend funds and other resources in connection with elections or primaries for non-federal offices held in Connecticut at the state, district or municipal levels.

In December 2005, the Connecticut General Assembly enacted the most sweeping campaign reform legislation in the U.S. This legislation is contained in Public Act 05-05 of the October 25, 2005 Special Session, and was amended by Public Act 06-137, and Public Act 07-1. Among the many changes made to the law include: the creation of Citizens' Election Program (CEP) which provides public financing for eligible Statewide and General Assembly candidates; imposition of certain prohibitions on contributions and solicitations by Lobbyists and "Principals" of State Contractors; transfer of the campaign filing repository from the Secretary of the State to the State Elections Enforcement Commission; and other significant changes which affect Political Committees (PACs), including the imposition of contribution limits to candidates by political committees of two or more individuals, which did not exist previously. This Guide will specifically address those changes impacting PACs including: the one person per PAC limitation; new PAC contribution limits; revised contribution limits for all PACs; and specific changes for Legislative Leadership and Legislative Caucus Committees, and Client and Communicator Lobbyist PACs.

Connecticut's campaign finance laws are set forth in Chapters 155 and 157 of the Connecticut General Statutes, Secs. 9-600 through 9-624, and Secs. 9-700 through 9-718, 9-750 and 9-751. Generally, before funds or other resources may be solicited or received to influence the election or defeat of any candidate, or expenditures made for such purpose, by or on behalf of a group of individuals or an entity, a political committee must be registered with the State Elections Enforcement Commission (hereafter "SEEC") or with the municipal clerk.

[Sections. 9-602, 9-603, and 9-605, General Statutes]

Any committee established to fund political campaigns has, through its treasurer, periodic public disclosure requirements pertaining to the committee's financial transactions. A committee's treasurer also has internal record-keeping duties, must comply with limitations on the sources and amount of funds or resources the committee may receive from donors, and similar responsibilities concerning the committee's expenditures. It is the personal responsibility of a committee's treasurer to ensure that the committee fully complies with all of the statutory requirements relating to campaign financing.

This Guide focuses exclusively on the laws regulating a political committee ("PAC") established by any type of business entity, organization, labor union or other group of two or more individuals organized on an ongoing basis, independent of any single election, primary or referendum.

Political committees established to support slates of candidates competing in a town committee primary, or slates of candidates for municipal offices, or to support or oppose a referendum are not addressed in this publication. Additionally, committees formed for a single election or primary to support a single candidate are also beyond the scope of this publication. These types of political committees are covered in separate SEEC publications which are available on our website at the address below.

Anyone using this Guide is advised to refer to the specific statutory provisions, regulations and advisory opinions of the SEEC referenced throughout. This Guide incorporates all of the changes made by the General Assembly to Chapters 155 and 157 of the Connecticut General Statutes effective as of January 1, 2007, including Public Act 07-01, effective February 8, 2007.

Copies of the campaign finance laws and all of the campaign disclosure forms, and committee registration statements are available from both the SEEC's offices and at our website (www.ct.gov/seec).

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I. DEFINITIONS OF TERMS

What is a Political Committee?

A political committee includes committees established in this state by any of the following: a business entity, labor union, organization, trade or professional association, any entity not otherwise described, and group of at least two individuals. Throughout this Guide, a political committee is often referred to as a “PAC”. Political committees formed to support or oppose candidates for nomination or election to a non-federal office in Connecticut at the state or municipal level may have an ongoing existence or may be formed for only a single election or primary. Similarly, political committees formed for referenda may have an ongoing existence or may be formed only for a referendum question.

Who is a Candidate?

A candidate is an individual who seeks nomination or election to public office, whether or not such individual is successful. An individual is deemed to be a candidate if he or she:

- a. personally, or through another person, has solicited or received funds or other resources, or made expenditures, including expenditures from personal funds, for the purpose of bringing about such individual’s nomination or election to any office; or
- b. has been endorsed or nominated by a political party and is thus entitled to a position on the ballot at an election or primary (whether or not funds or resources have been solicited, received or expended); or
- c. is otherwise qualified for placement on the ballot at a primary or election pursuant to the election laws (whether or not funds or resources have been solicited, received or expended).

[Sections 9-601(11), 9-400, 9-406, and Subchapter C of Chapter 153, General Statutes]

A candidate must establish a separate candidate committee to be the designated funding vehicle for his/her campaign and therefore may not designate an existing PAC as such. Generally PACs may contribute to the candidate's committee subject to restrictions or prohibitions that are otherwise described in this Guide.

[Section 9-601(3), (4), General Statutes]

What is a Business Entity?

A business entity includes a stock corporation, bank, insurance company, limited liability company, business association, bankers association, insurance association, trade or professional association receiving funds from membership dues from sources in addition to individuals and sole proprietorships, partnership, joint venture, private foundation, trust or estate, cooperative or other association, and any similar organization or entity which is engaged in the operation of a business or profit-making activity. If a business entity is a corporation which is a component member of a controlled group of corporations, as defined in the Internal Revenue Code, then all component members are considered one business entity. A business entity may establish or control only one PAC. (See Section 9-613, General Statutes).

Please Note: a solely owned professional service corporation (P.C.) or a sole proprietorship is considered an individual and not a business entity.

[Section 9-601(8), (9), General Statutes]

What is an Organization?

An organization includes any labor organization, employee organization, bargaining representative organization for teachers, local, state or national organization to which any labor organization pays fees or membership dues, as well as any trade or professional association receiving its funds exclusively from membership dues. However, if the membership in such trade or professional association includes business entity members, then such a trade or professional organization is deemed to be a business entity and not an organization for purposes of the campaign financing laws. An organization may establish or control only one PAC. (See Section 9-615, General Statutes)

[Section 9-601(7), General Statutes]

Who is an Individual?

An individual is a human being, a sole proprietorship, or a professional service corporation organized under Chapter 594a of the Connecticut General Statutes and owned by one individual.

[Section 9-601(9), General Statutes]

What is a Party Committee?

A party committee may be a local town committee of a political party or the state central committee, but does not include party-affiliated district, ward or borough committees. (These are considered PACs) See SEEC Publication “A Guide for Party Committees” for more information concerning town and state central committees.

[Section 9-601(2), General Statutes]

What is a Candidate Committee?

A candidate committee is a committee designated by a single candidate to promote his or her nomination or election to a *specific* office. A candidate committee may only be utilized to support one candidate.

[Section 9-601(4), General Statutes]

What is a “Slate” Committee?

A slate committee is a political committee formed by two or more candidates, within the same municipality, who are seeking office in the same election or primary, for the sole purpose of funding their campaigns. See SEEC Publication “A Guide for Municipal Candidates” for more information concerning this type of political committee.

What is the “SEEC Form 3”?

The SEEC Form 3 is the proper form for the registration of a PAC in Connecticut. Each of the fields on this form must be completed by the Chairperson.

Who is a Campaign Treasurer?

A campaign treasurer may be any elector (registered voter) in Connecticut who is appointed by the PAC Chairperson to serve as its treasurer. The campaign treasurer is the only individual who has authority to deposit funds into, or expend funds from, the committee’s depository account. Only one individual may serve as a campaign treasurer for a PAC at any one time. The treasurer must sign the certification in Section 41 of the SEEC Form 3. Commissioners and Deputy Commissioners of state agencies are prohibited from serving as a committee treasurer, (as this would violate the ban on solicitation of contributions by these officials).

Communicator lobbyists, principals of state contractors and prospective contractors, and their immediate family members are restricted from serving as a PAC treasurer in certain instances; and in other instances their service will subject the PAC to certain prohibitions. See Sections VIII and IX of this Guide for further information.

[Sections 9-601(12), 9-606(d), 9-622(11), General Statutes]

Who is a Deputy Campaign Treasurer?

A deputy treasurer must have the same qualifications and be appointed in the same manner as the committee treasurer. The purpose of appointing a deputy treasurer is to have another individual available to function as the treasurer in the event that the treasurer is unable for any reason to perform the required duties of the treasurer. Only one individual may be appointed as deputy treasurer for a committee at any one time. The Deputy Treasurer must also sign the certification in box 41 of the SEEC Form 3. The restrictions concerning who can serve as a treasurer apply with equal effect to a deputy treasurer.

[Sections 9-601(13), 9-606(d), 9-622(11), General Statutes; State Elections Enforcement Commission Advisory Opinion No. 83-2]

Who is a Solicitor?

A solicitor is any individual who is appointed by the treasurer to receive funds or resources on behalf of the committee. There are no limitations on the number of solicitors that the treasurer may appoint on behalf of the committee. Receiving funds and resources (a solicitor) is different than asking that donations be given to a committee. As in the case of a treasurer and deputy, certain individuals are restricted from requesting and accepting donations on behalf of a PAC. See Sections VIII, IX and XII of this Guide.

[Sections 9-601(14), 9-606(c), 9-622(11), General Statutes]

What is a Depository Institution?

A depository institution is any financial institution situated in or having an office in Connecticut, including but not limited to a bank, savings and loan association, or credit union. It is the treasurer's obligation to establish a *single checking account* for the deposit of all funds received by the committee. Further, all committee expenditures must be made from this account. The name and address of the depository institution must be entered on SEEC Form 3.

[Sections 9-602(a), 9-607(e), General Statutes; State Elections Enforcement Commission Advisory Opinion No. 75-6]

What is the Citizens' Election Program?

The Citizens' Election Program ("CEP") is a program established under Chapter 157 of the General Statutes to provide grants of public funds to eligible candidates for Statewide office (Governor, Lt. Governor, Comptroller, State Treasurer, Attorney General and Secretary of the State) and the General Assembly. Qualified candidates receiving public funds are referred to as participating candidates.

Who is a Lobbyist?

A lobbyist is any individual or any entity which either receives compensation or makes or agrees to make expenditures in excess of \$2,000 per calendar year to communicate with, or solicit others to communicate with any official, or member of such official's staff, within the legislative or executive branch of state government, for the purpose of influencing any state legislative or executive administrative action. A "Communicator" Lobbyist receives compensation for communicating with legislators and government officials for the purpose of influencing legislative or administrative action, while a "Client" Lobbyist is an individual or entity who makes expenditures or for whom

lobbying occurs. Lobbyists are required to register with the Office of State Ethics. Communicator lobbyists and their immediate family members are subject to special restrictions on making and soliciting campaign contributions, as are PACs established or controlled by communicator or client lobbyists. For details, please see “Restrictions on Contributions and Expenditures From Lobbyists” in Section IX of this guide.

[Section 1-91(l) General Statutes.]

What is a Contribution?

A contribution includes any gift, loan, payment or expenditure of money, goods or anything of value made for the purpose of influencing the nomination or election of any individual to office.

A contribution may be monetary or non-monetary (in-kind contribution). All contributions are counted towards the aggregate contribution limits that apply to the particular donor.

The treasurer must determine whether or not a receipt or expenditure constitutes a contribution that counts against the aggregate contribution limits allowed from the particular donor. These limits are discussed in Section III under “What Contributions May Be Lawfully Accepted by a Committee,”

The following are examples of transactions that generally constitute contributions:

- A gift of money by an individual, which may be by cash, personal check, other bank instrument or credit card. An individual may not make a cash contribution in excess of \$100 to a PAC in a calendar year. Any contribution in excess of \$100 must be made by personal check of the individual or credit card. Section 9-611(d), General Statutes (See also permissible method of payment in Table on page 17.)
- The transfer of monetary or non-monetary assets by a committee to another committee. Any monetary contribution by a PAC to a candidate committee must be made by check drawn on the PAC’s designated depository account.
- The receipt or gift of goods, services, or anything of value given free of charge or at less than the usual and customary charge (discount) to the PAC. Non-monetary receipts or expenditures which are contributions are referred to as “In-kind contributions.” An In-kind contribution must be valued at the usual and customary charge less any amount paid by the recipient committee. An In-kind contribution includes the use of real property for a committee headquarters, and the use of personal property such as a computer, goods, supplies, equipment and mailing lists.
- A loan of money made by any individual or entity other than a national or state bank in the ordinary course of business. The loan is a contribution to the extent it remains unpaid. Repayments made on the loan reduce the amount of the contribution. A guarantee of payment on a loan by a third party is not a contribution unless the committee defaults on the loan and the guarantor makes payment in satisfaction of the obligation. PACs are not permitted to guarantee or make any loan to a participating candidate in the Citizen’s Election Program. For further discussion on loans see Section VI of this Guide.
- An expenditure made by a committee worker who uses personal funds for which reimbursement is sought; *such payments are deemed to be contributions to the committee to the extent that they are not reimbursed by the committee to the worker within 45 days from the date that such expenditure was made.*

- A coordinated expenditure by a person (including individuals and PACs) made with the cooperation of, in consultation with, or at the request or suggestion of the candidate or his or her committee, treasurer or other agent, constitutes an in-kind contribution to the committee. (See Section 9-601(19), General Statutes). By contrast, an *independent expenditure* is one which is not made with the cooperation of, in consultation with, at the request or suggestion of the candidate, his or her committee, treasurer or agent. An independent expenditure is not a contribution. (See Section 9-601(18), General Statutes) For further information on the distinction between independent and coordinated expenditures, See Section VI of this Guide.
- An extension of credit for a length of time beyond normal business or trade practice is a contribution unless the creditor makes a commercially reasonable attempt to collect the debt.
- A written contract, promise or agreement to make a contribution.

[Section 9-601a(a), General Statutes]

What is an Anonymous Contribution?

An anonymous contribution is given without the contributor present and with no information about the contributor known or provided. The treasurer must be incapable of discerning the identity of the contributor. The only instance when an anonymous contribution is recognized is when cash is sent in the mail with no return address.

Are Certain Monetary and Non-Monetary Receipts or Expenditures Not Considered Contributions?

Yes. There are various types of monetary and non-monetary receipts or expenditures which, depending upon the circumstances are not considered contributions.

The following are examples of receipts or expenditures which, although they may have to be otherwise reported, are not considered contributions, and are therefore not counted against the aggregate contribution limits:

- A loan of money made to a committee in the ordinary course of business by a bank or other financial institution.

[Section 9-601a(b)(1), General Statutes]

- Interest paid to the committee by the committee's bank.
- The cost of any communication advocating the election or defeat of the candidate *prepared by a business entity and, limited in distribution to its owners, stockholders, executive or administrative personnel or their family members, and similar communications prepared by an organization or association, limited in distribution to its members or their family members, are not contributions* and this is true whether or not such communication is coordinated with the campaign of a candidate. A business entity, organization or association, in expressing its own views to its restricted class, may use brief quotations from speeches and other campaign-prepared material, but may not otherwise republish, in whole or part, campaign-prepared material. *If such a partisan communication is made to persons outside of this restricted class, such communication is a prohibited contribution.* [Please Note: business entities and organizations are prohibited from making contributions and expenditures. See Section VII under "Prohibition on Contributions and Expenditures by a Business Entity, Labor Union or other Organization."]

- Uncompensated services, such as legal or accounting services, provided by individuals volunteering their time to the committee.
- [Section 9-601a(b)(4), General Statutes]
- Certain types of receipts or expenditures occurring at a bona-fide fund-raising event. See section IV entitled “FUND-RAISING EVENTS.”
 - An expenditure made by a committee worker who uses personal funds for which reimbursement is made to the worker within 45 days from the date that such expenditure was made.
 - The advance of a security deposit by an individual to a telephone company for telecommunications service for the committee, provided the security deposit is refunded to the individual. If the individual is not entitled to or loses entitlement to the refund, the deposit is a non-monetary receipt to the committee the value of which must be reported by the committee as an In-kind contribution.

[Section 9-601a(b)(13), General Statutes]

What is an Expenditure?

An expenditure includes the following:

- A purchase or payment made, or the consumption of anything of value, for the purpose of influencing the nomination or election of any candidate, to promote the success or defeat of any political party or referendum , or for the operations and activities of a PAC.
- The transfer of funds or resources by the committee to another committee. However, as explained throughout this Guide, there are restrictions which apply to these transfers.
- An expense which has been incurred by the committee but not yet paid.
- An advertisement that (A) refers to one or more candidates, (B) is broadcast by radio or TV (other than public access) or is published in a newspaper, magazine or on a billboard and (c) during the 90 day period prior to an election.

[Section 9-601b(a)(2), General Statutes]

What is the State Elections Enforcement Commission?

As used through out this Guide, The SEEC is the bi-partisan five member state agency in the executive branch of government which is responsible for the administration and enforcement of Connecticut’s Campaign Finance Laws.

II. REGISTRATION OF A PAC

Basic Requirements

No funds or other resources may be solicited or received, and no expenditures may be made, by the PAC unless its chairperson first registers the committee with the appropriate filing repository, which is either the SEEC or Town Clerk. In order to maintain a PAC, there must be:

1. A chairperson and a treasurer;
2. A single checking account established in a Connecticut bank or other financial institution, and

3. The filing of a registration form with the appropriate repository. The PAC chairperson is responsible for the filing of the registration form (including any amendments made to it). This section discusses the requirements of PAC registration.

How to Register a PAC

Within ten days following the organization of the PAC, the chairperson must register it with the proper filing repository. The organization of the PAC is deemed to have occurred when the PAC solicits or receives contributions or funds, or makes or incurs expenditures, whichever is earlier. The chairperson then has ten (10) days to file the registration statement which is SEEC Form 3.

A registration statement must contain the following information:

1. The name and address of the committee.
2. The name, address and telephone number of the PAC's chairperson, treasurer and deputy treasurer, if a deputy treasurer is appointed.
3. The name, address and title of all other officers of the committee.
4. The name and address of the depository institution in Connecticut in which a single checking account is established for the committee's funds.
5. Whether the PAC is formed to influence state elections (Statewide offices, General Assembly, Probate Judge), municipal elections (Mayor, First Selectman, Aldermen, Board of Education) or both.
6. If the PAC is formed for a single election or primary, the name and party affiliation of each candidate whom the committee is supporting and the office sought by each candidate.
7. If the PAC is supporting or opposing any referendum question, a brief statement identifying the substance of the question.
8. If the PAC is established by a business entity, labor union or other organization or association, the name of the entity, union or organization.
9. If the PAC is established by a labor union or other organization, whether it will receive funds from the organization's treasury or from voluntary contributions. Please note that if the organization's treasury is comprised of funds from other than individuals, the PAC must be funded by voluntary contributions from individuals.
10. If the entity, union, or organization which established the PAC is a component member of a statewide entity, the name and address of the entity.
11. If the PAC files reports with the Federal Elections Commission or any out-of-state agency, a statement to that effect including the name of the agency.
12. A statement indicating the purpose of the PAC, e.g. whether the committee is established for a single primary, election or referendum or for ongoing political activities.
13. If the committee is established or controlled by a member of the General Assembly, an elected State Officer, or a lobbyist or immediate family member, or any principal of a state contractor, prospective state contractor, or investment services firm, or an agent of any of the above, a statement to that effect and the name of the member of the General Assembly, elected State Officer, lobbyist or principal of a state contractor.

14. If the PAC is formed by two or more individuals to support candidates from a particular state legislative district, a statement to that effect and the district number. (Senatorial or Assembly District)
15. The name and address of the individual, business entity or labor organization making the initial contribution or disbursement to the PAC. If the initial contribution or disbursement precedes the filing of the registration statement, the PAC treasurer must file a campaign disclosure statement itemizing this transaction along with the registrations statement. If the contribution or disbursement is made after the filing of the registration statement, the treasurer must file an itemized report within 48 hours.
16. Whether the PAC is authorized to made contributions to candidates for Statewide office and/or General Assembly.
17. A signed and dated certification by the chairperson, treasurer, and deputy treasurer (if any) of the PAC. (Please note: a special certification applies to PAC's which are Legislative Caucus or Leadership Committees.)

[Sections 9-602(a), 9-605(b), 9-610 and 9-612 General Statutes]

It is the Chairperson's responsibility to report any changes to the committee's registration statement within 10 days of the change. There are separate, detailed instructions for completion of SEEC Form 3 which are available from the SEEC. See "When and How to Amend a Registration Statement" in this section.

[Section 9-605(c), General Statutes]

Where to File a Registration Statement?

The State Elections Enforcement Commission is the proper filing repository with respect to the following PACs:

- All political committees which intend to contribute to candidates for one or more of the following offices: Governor, Lieutenant Governor, Secretary of the State, Treasurer, Comptroller, Attorney General, Judge of Probate, State Senator and State Representative.
- Political committees formed to promote the success or defeat of one or more proposed constitutional amendment(s).
- Political committees formed for combined purposes where the primary purpose is either of the above.

The Town Clerk is the proper filing repository with respect to the following committees:

- Each political committee formed *solely* to promote the success or defeat of candidates for town, city or borough office.
- Each political committee formed *solely* to promote the success or defeat of one or more referenda to be voted upon by the electors of a *single* municipality. *Note:* If any such local question appears on the ballot of several municipalities but not state-wide, then the committee must file with the clerk of each municipality that will be voting on the question.
- Each political committee formed only to promote candidates for municipal office and referenda which will be voted upon within the same municipality.

[Section 9-603, General Statutes]

Timeliness of Filing a Registration Statement in Proximity to an Election

As previously stated, the PAC chairperson must file the registration statement within ten (10) days after the committee organizes. However, if a committee organizes within ten (10) days of an election, primary or referendum, and the committee intends to solicit contributions or make expenditures, the chairperson must immediately file the registration statement with the appropriate filing repository.

[Sections 9-602, 9-605, General Statutes]

Appointment of the Committee's Treasurer and Deputy Treasurer

The PAC chairperson is required to appoint one individual, who must be a Connecticut elector, as treasurer and may appoint another individual as deputy treasurer. These appointments must appear on the committee's most current registration statement. A committee treasurer and deputy treasurer (if applicable) must co-sign the registration statement, filed by the chairperson signifying their acceptance of the appointment. Once appointed, the treasurer and deputy treasurer serve indefinitely, until such individual resigns, is replaced by the chairperson, or becomes incapacitated. A written statement must be filed with the filing repository in order to relieve the treasurer from the statutory obligations under the Campaign Finance Laws.

[Section 9-602(c), General Statutes]

Upon a treasurer's resignation, death or permanent incapacity, the deputy treasurer, if any, automatically succeeds as treasurer. If no deputy treasurer has been appointed, the chairperson has ten days in which to designate a successor treasurer to fill the vacancy by filing an amended committee registration statement with the filing repository. The failure to designate a successor treasurer within this 10 day period is a violation of Section 9-602(c), General Statutes, for which a civil penalty of up to \$2,000 can be imposed against the PAC chairperson.

[Section 9-602(c), General Statutes]

A PAC may not solicit or receive any contributions, or make or incur any expenditures during a period in which the committee is without a treasurer or deputy treasurer. The PAC chairperson is legally liable for any such violation and subject to a civil penalty of \$2,000 per each violation.

[Sections 9-602 and 9-605, General Statutes]

An individual may serve as a treasurer of more than one candidate or party committee but cannot serve as treasurer or deputy treasurer of more than one PAC (except legislative leadership and legislative caucus committees). Service as a treasurer or deputy treasurer is considered control of a PAC, and no individual may establish or control more than one PAC, *see subsection "One Person One PAC Restriction"*. In addition, commissioners and deputy commissioners of state agencies are prohibited from serving as committee treasurers for reason that they are prohibited from soliciting funds for the benefit of any candidate, political committee or political party. Similar restrictions apply to communicator lobbyists and principals of state contractors and prospective state contractors which are discussed in sections VIII and IX of this Guide.

[Sections 9-605(e) and 9-622(11), General Statutes]

Designation of a Depository Institution for Committee Funds

The name and address of a single depository institution located in Connecticut must be designated on the SEEC Form 3. All committee funds must be deposited *into a single checking account* established within the designated depository and all expenditures must be made only by the treasurer from this one account.

[Sections 9-602(a) and 9-605(b), General Statutes]

Special Registration Restrictions

Public Act 05-5 of the October 25, 2005 Special Session imposed new registration restrictions and requirements for PACs. Due to the breadth of the new legal requirements and the transfer to the SEEC of the filing repository responsibilities, the SEEC prepared all new committee registration forms, including SEEC Form 3, for existing and new PACs. Existing PACs were required to register using SEEC Form 3 in January 2007. The highlights of the new restrictions and requirements follow.

One Person One PAC Restriction

After December 31, 2006, any individual who establishes or controls a PAC, is required to disavow all but one committee in writing to the SEEC. (See Indicia of “Establishment or Control” below.) SEEC Form 3 requires the identification of not only the chairperson, treasurer and deputy treasurer of the PAC, but also other officers. These are the other individuals who comprise the decision making authority regarding how PAC funds will be raised or spent, regardless of whether or not they occupy specific titles. If an individual serves as the chair, treasurer, deputy or other officer of a PAC, he/she can not serve in any such capacity for another PAC. A business entity, union or organization may only establish or control a single PAC. The name of the business entity, labor union or other organization establishing or controlling the PAC must be disclosed on SEEC Form 3 to and ensure compliance.

To ensure that the new limits on PAC contributions were not evaded, the law prohibits an individual, business entity, labor union or other organization from establishing or controlling more than one PAC.

[Sections 9-605(e)(1), 9-613(a), 9-614(a), General Statutes]

Indicia of “Establishment or Control”

In various instances, the law limits or prohibits contributions by, or to, a PAC depending upon whether the PAC was established or is controlled by a member of a restricted class of individuals. The different contexts in which these phrases are used are as follows:

- a. No individual or entity can establish or control more than one political committee (PAC);
- b. PAC established or controlled by a communicator lobbyist or immediate family member (cannot contribute to or solicit for candidates for Statewide or General Assembly offices);
- c. PAC established or controlled by a candidate for Statewide office or General Assembly (cannot receive or solicit contribution from a communicator lobbyist, immediate family member of lobbyist or PAC established or controlled by any such lobbyist or family member or principal of state contractor or prospective state contractor doing business with same branch of government);
- d. PAC established or controlled by a state contractor or prospective state contractor (cannot contribute to or solicit for candidates for Statewide office if contract with executive branch; or to or for General Assembly candidates if contract is with legislative branch);
- e. PAC established by or on behalf of a client lobbyist (for purposes of the sessional ban).

(See Sections VIII and IX of this Guide for detailed discussion of prohibition.)

The SEEC has determined that “established” refers to the organization, origination, formation or foundation of a political committee. A PAC is deemed established by an individual where he or she had a significant role in the committee’s formation, or the individual appears as an officer on the committee’s statement of organization. The SEEC has determined that “control” means to exercise authoritative or dominating influence over or direct. The Commission will consider in determining whether an individual “controls” a PAC whether the individual: (1) Has substantial involvement or influence in the decision-making concerning how the committee solicits or makes contributions or expenditures; (2) Directs or participates in the appointment or solicitation of the committee’s officers; and/or (3) Serves as a committee chairperson, treasurer, deputy treasurer or other officer.

Finally, the language “by or on behalf of” means that someone subject to a ban cannot direct someone else to do, or accomplish indirectly, what he or she cannot do directly.

[Sections 9-605(e), 9-610, 9-612 and SEEC Declaratory Ruling 2006-2]

Legislative Leadership and Legislative Caucus Committees

One legislative caucus committee may be designated by the majority of the members of the same political party for each chamber of the General Assembly (e.g. Senate Democrats, House Democrats, Senate Republicans, House Republicans). SEEC Form 3 contains a certification by the chairman of the legislative caucus committee, which must be completed. The six highest ranking leaders of the General Assembly, (the Speaker of the House, Majority Leader of the House, Minority Leader of the House, President Pro Tempore of the Senate, and Majority Leader and Minority Leader of the Senate), are each permitted to establish a legislative leadership committee, and the minority leaders of the House and Senate may each have an additional legislative leadership committee. These committees must also be designated by the respective legislative leader on the SEEC Form 3. These PACs are exempt from the one person per PAC restriction referred to above. These PACs may only contribute to legislative candidates, provided no participating candidate in the CEP may accept such a contribution.

[Sections 9-605, 9-618(d), 9-619(d) General Statutes]

Designation of Offices to Receive Contributions

Inasmuch as there are restrictions on donations from lobbyists or contractors which are dependent upon the office(s) that the PAC is authorized to contribute to, SEEC Form 3 requires the PAC chair to designate which offices the PAC intends to make contributions to. The PAC chair must only designate those offices to which the PAC can legally make contributions.

[Sections 9-605, 9-610, 9-612, Declaratory Ruling 2006-2]

When and How to Amend a Registration Statement?

The PAC chairperson is responsible for reporting any additions or revisions to a registration statement (i.e. a change in treasurer). This is referred to as an “amendment.” Amendments must be made using SEEC Form 3 and submitted to the same filing repository where the initial registration statement was filed within ten days of the addition or revision. The chairperson must complete each section of SEEC Form 3, and not just those sections affected by the changes reported.

[Section 9-605, General Statutes]

May I Register the PAC on Line?

Yes! In fact, you are encouraged to: On line registration (and periodic filing of campaign finance disclosure statements) will be available to all PAC chairpersons beginning in January, 2008 by utilization of our new user friendly web based e-CRIS system. Avoid mistakes and potentially costly violations by using e-CRIS (Electronic Campaign Reporting and Information System) available on the SEEC website. Amendments to a PAC registration can also easily be made using e-CRIS.

Penalties for Late or Other Registration Violations

A PAC chairperson who does not file with the proper filing repository within the 10 day period prescribed is subject to a mandatory late fee of \$100. A penalty of at least \$200 and not more than \$2000 can be imposed by the SEEC after notice of the delinquency. The SEEC may impose a civil penalty for false or inaccurate information provided on a registration statement, or for failure of a chairperson to amend the statement timely.

[Sections 9-623, 9-7b, General Statutes]

III. RESPONSIBILITIES OF THE TREASURER

Must Deposit All Committee's Monetary Receipts

The committee's treasurer is responsible for depositing all funds received by the committee within fourteen (14) days of receipt and must do so in the committee's single checking account established with the committee's designated depository institution.

[Section 9-606(a), General Statutes]

The treasurer must ensure that any funds or resources received by the committee are lawful and within the aggregate limits permitted under the Campaign Financing Laws. Receipts which are either prohibited or otherwise in excess of the permissible limits set forth by law should not be deposited and must be returned to the donor by the treasurer within fourteen days of receipt or by the filing deadline for transactions falling within the reporting period, whichever is earlier.

If a monetary receipt is deposited by the treasurer into the committee's account before it is determined to be unlawful, the treasurer must report it on the campaign finance disclosure statement and refund the same without delay by returning the amount to the donor on a check drawn on the committee's checking account. Any such refund must be reported as an expenditure using the "REF" Expenditure Code for that purpose. Wherever possible, such refunds should be made in the same reporting period as the funds were deposited. The same rules apply to non-monetary receipts that are from improper sources or excessive in amount or value.

A Political Committee May Not Accept Certain Monetary Receipts Depending on the Method of Payment

Monetary receipts from individuals may not be accepted by the committee unless the following methods of payments are used:

- a. An aggregate amount of \$100 or less may be accepted if made by cash, personal check, bank instrument or credit card; and
- b. An aggregate amount in excess of \$100 may be accepted only if made by personal check or credit card.

[Sections 9-611(d) and 9-622(9), General Statutes]

Monetary receipts from any other committee which is a proper source of funds must be made by check, debit or credit card drawn on that committee's designated depository institution. PAC checks must contain the name, address and treasurer of the PAC.

[Section 9-607(e)(1), General Statutes]

Contributions: Permissible Methods of Payment and Contributor Information

<i>AMOUNT OF AGGREGATE CONTRIBUTION(S)</i>	<i>PERMISSIBLE METHOD OF PAYMENT</i>	<i>INFORMATION REQUIRED FROM INDIVIDUAL CONTRIBUTOR</i>	<i>FROM AN INDIVIDUAL UNDER 18</i>
\$0 - \$50.00	Cash, Bank Instrument or Credit Card	Name and Residence Address	Yes, up to a maximum of \$30
\$50.01 - \$100.00	Cash, Bank Instrument or Credit Card	Name, Residence Address and Lobbyist Status (if applicable), and Lobbyist and State Contractor Certification (if applicable)	No
\$100.01 – Maximum permitted by law	Personal Check or Credit Card	Name, Address, Lobbyist Status (if applicable), Lobbyist and/or State Contractor Certification, (if applicable) Principal Occupation and Employer	No

Table 1 - Contribution Requirements Applicable to Individuals

What Contributions May Be Lawfully Accepted By a Political Committee?

Introduction

This portion of the Guide summarizes the permissible and prohibited sources of funds for the three major subtypes of PACs: (1) Business Entity PAC; (2) Organization PAC and (3) PAC established by Two or More individuals. For a detailed chart of the Contribution Limits and Restrictions. See "Permissible Contributions" chart in the back of this Guide.

A Business Entity Political Committee may accept:

Monetary and non-monetary receipts may be accepted from the business entity which established the PAC only if they are (a) reasonable and necessary and (b) directly attributable to (1) the administrative costs of operating the PAC or (2) the solicitation of funds or resources for the PAC. The SEEC has determined that an amount equal to one third or less of the proceeds raised by a particular PAC's solicitation of funds is a reasonable amount to be spent on solicitation costs by the business entity that established the PAC. Any amount in excess of one third of proceeds must be reimbursed by the PAC to the business entity to avoid a prohibited contribution.

[Section 9-613, General Statutes; Opinions of Counsel 99-3, 99-4 and 99-5]

Contributions from an individual eighteen years of age or older may be accepted subject to a maximum of \$750 per calendar year. Such contributors do not have to be in the management of the business that established the PAC or employed by that business. Contributions from individuals less than eighteen years of age may be accepted subject to a maximum of \$30 per calendar year.

[Section 9-612(a) and 9-611(e), General Statutes, as amended by Public Act 07-1]

An individual contributor must be either a United States citizen or a foreign national with permanent resident status in the United States.

[Title 11 Code of Federal Regulations, §110.4a]

Contributions from another PAC up to \$2,000 per year may be accepted provided the donor PAC is not a legislative caucus or legislative leadership committee. The donor PAC must also be registered in Connecticut in order to make the contribution. The recipient PAC treasurer should check the SEEC's website to determine whether the donor PAC is registered.

[Section 9-613(e), General Statutes]

Contributions from a registered State central committee of a political party may be accepted up to \$2,500 per year.

[Section 9-617(b)(2), General Statutes]

Contributions from a registered town committee of a political party may be accepted up to \$1,500 per year.

Section 9-617(e), General Statutes]

Contributions from a national committee of a political party may be accepted without limit provided that any such contribution is from the national party committee's federal account on file with the Federal Election Commission, and that such federal account contains only funds subject to the disclosure and contribution limits prescribed in the Federal Election Campaign Act. (No transfers from "soft money" accounts.)

[Section 9-618(d), General Statutes]

Surplus distributions from terminating candidate committees or slate committees may be accepted without limit after a primary which results in the defeat of the candidate(s), or after the election, provided the candidate or slate committee was not established for a town committee primary. Also, surplus distributions from terminating exploratory committees in which the candidate withdraws from the election may be accepted without limit. Note: There are restrictions on receipt of surplus from referendum committees, as set forth in the following section.

[Section 9-608(f), General Statutes]

A Business Entity Political Committee may not accept:

Contributions or transfers from a business entity are prohibited, except with respect to administrative or fundraising costs from the business entity which established the committee. These transfers are subject to the 1/3 rule, as previously described.

[Section 9-613(b), General Statutes]

Contributions from any labor union or any other organization are prohibited.

[Section 9-614, General Statutes]

Contributions may not be accepted from a candidate committee, exploratory committee or slate committee except with respect to surplus distributions as previously described.

[Sections 9-616, 9-608, General Statutes]

Contributions from a political committee formed solely for a referendum are prohibited, except if one of the following applies:

- a. A portion or the entire surplus may be distributed, without limit, but only if the referendum committee had not received *any* contributions from business entities or organizations; or
- b. If the referendum committee had received contributions from any business entities or organizations, and the business entity political committee contributed to the referendum

committee, it may receive only a portion of the referendum committee's surplus distribution based upon that relationship which the aggregate value of all receipts from the business entity political committee bears to the aggregate value of all receipts from all contributors to the referendum committee.

[Section 9-608(e) and 9-620, General Statutes]

Contributions may not be accepted from a committee of a candidate for a federal or out-of-state office.

[Section 9-618(b), General Statutes]

Contributions from any PAC or party committee not registered under Connecticut law are prohibited, except for a national committee of a political party as set forth in the preceding section.

[Sections 9-618(d), General Statutes]

Contributions may not be accepted from a legislative caucus or legislative leadership committee.

[Sections 9-602d, 9-618(e), General Statutes]

An Organization Political Committee may accept:

Monetary and non-monetary receipts may only be accepted from the organization which established the committee provided that (a) the committee has elected to be financed exclusively from the organization's treasury funds and (b) the chairperson of the committee has properly designated such method of funding on its registration statement. If the organization received funds from sources other than individuals, then its PAC must be funded by voluntary contributions from its members.

[Section 9-614(a), General Statutes]

The following rules apply to an organization which elects to fund its PAC by voluntary contributions:

Contributions from an individual eighteen years of age or older who is a member of the organization may be accepted to a maximum of \$750 per calendar year. Contributions from members less than eighteen years of age may be accepted to a maximum of \$30 per calendar year.

[Section 9-612(b) and 9-611(f), General Statutes as amended by Public Act 07-1.]

The individual contributor must be either a United States citizen or a foreign national with permanent resident status in the United States.

[Title 11 Code of Federal Regulations, §110.4a]

Contributions from any other PAC may be accepted to a maximum of \$2,000 per calendar year provided the PAC is not a legislative caucus or legislative leadership committee. The donor PAC must also be a registered Connecticut political committee.

[Sections 9-615(d) and 9-618, General Statutes]

Contributions from a registered State Central committee may be accepted to a maximum of \$2,500 per calendar year.

Contributions from a registered town committee may be accepted to a maximum of \$1,500 per calendar year.

[Section 9-617(b)(2) and (c)(2), General Statutes]

Contributions from a national committee of a political party may be accepted without limit provided that any such contribution is from the national party committee's federal account on file with the Federal Election Commission and that such federal account contains only funds subject to the disclosure and contribution limitations prescribed in the Federal Election Campaign Act. (No transfers from "soft money" accounts.)

[Section 9-617(e), General Statutes]

Surplus distributions from terminating candidate committees or slate committees may be accepted without limit after a primary, which results in the defeat of the candidate(s), or after the election, provided that the candidate or slate committee was not established for a town committee primary. Also, contributions of surplus distributions from terminating exploratory committees in which the candidate withdraws from the election may be accepted without limit. *Note:* There are restrictions on receipt of surplus from referendum committees which are set forth in the following section.

[Sections 9-608(e) & (f) and 9-614(a), General Statutes]

An Organization Political Committee may not accept:

Contributions from any individual may not be accepted if the organization political committee has elected to be exclusively funded from its organization's treasury funds.

[Sections 9-614 (a), and 9-612 (b), General Statutes]

Contributions from any other labor union or other organization are prohibited except for a political committee which has elected to be exclusively funded from its own organization's treasury funds, may accept such funds only from the organization which established the committee.

[Section 9-614(a), General Statutes]

Contributions from a business entity are prohibited.

[Section 9-613, General Statutes]

Contributions may not be accepted from a candidate committee, exploratory committee or slate committee except with respect to surplus distributions as previously described.

[Sections 9-608(e) and 9-616(a) General Statutes]

Contributions from a political committee formed solely for a referendum are prohibited, except if one of the following applies:

- a) A portion or the entire surplus may be distributed, without limit, but only if the referendum committee had not received *any* contributions from business entities or organizations; or
- b) If the referendum committee had received contributions from any business entities or organizations, and the organization political committee contributed to the referendum committee, it may receive only a portion of the committee's surplus distribution based upon that relationship which the aggregate value of all receipts from the organization political committee bears to the aggregate value of all receipts from all contributors to the referendum committee.

[Sections 9-608(e) and 9-620(a), General Statutes]

Contributions may not be accepted from a committee of a candidate for a federal or out-of-state office.

[Section 9-618(e), General Statutes]

Contributions from any committee not registered under Connecticut law are prohibited, except for a national committee of a political party as set forth in the preceding section.

[Sections 9-602, 9-618(e), General Statutes]

Contributions may not be accepted from a legislative caucus or legislative leadership committee.

[Sections 9-618(d), General Statutes]

A Political Committee Established by Two or More Individuals may accept:

Contributions from an individual eighteen years of age or older may be accepted to a maximum of \$750 per calendar year. Contributions from individuals less than eighteen years of age may be accepted to a maximum of \$30 per calendar year. Special restrictions apply to lobbyists, principals of State contractors, prospective State contractors, State officials and certain employees to certain PACs. See Sections VII to IX of this Guide.

[Section 9-612(a) and 9-611(e), General Statutes, as amended by Public Act 07-1]

The individual contributor must be either a United States citizen or a foreign national with permanent resident status in the United States.

[Title 11 Code of Federal Regulations, §110.4a]

Contributions from any political committee registered in Connecticut may be accepted to a maximum of \$2,000 per calendar year. However, please see exceptions in the following section entitled “A Political Committee Established by Two or More Individuals may not accept.”

[Sections 9-613, 9-615, 9-618, General Statutes]

Contributions from a registered Connecticut State Central committee may be accepted to a maximum of \$2,500 per calendar year.

Contributions from a registered town committee may be accepted to a maximum of \$1,500 per calendar year.

[Section 9-617, General Statutes]

Contributions from a national committee of a political party may be accepted without limit provided that any such contribution is from the national party committee’s federal account on file with the Federal Election Commission and that such federal account contains only funds subject to the disclosure and contribution limitations prescribed in the Federal Election Campaign Act. (No transfers from “soft money” accounts.)

[Section 9-618(e), General Statutes]

Contributions of surplus distributions from terminating candidate committees or slate committees may be accepted without limit after a primary, which results in the defeat of the candidate(s), or after the election, provided that candidate or slate committee was not established for a town committee primary. Also, contributions of surplus distributions from terminating exploratory committees in which the candidate withdraws from the election may be accepted without limit. *Note:* There are restrictions on receipt of surplus from referendum committees as set forth in the following section.

[Sections 9-608(e) & (f) and 9-614(a), General Statutes]

Warning: A PAC of two or more individuals which accepts surplus from a candidate or exploratory committee is prohibited from contributing to the future campaigns of that individual.

A Political Committee Established by Two or More Individuals may not accept:

Contributions from a business entity are prohibited.

[Section 9-613, General Statutes]

Contributions from any labor union or any other organization are prohibited.

[Section 9-614a, General Statutes]

Contributions may not be accepted from a candidate committee, exploratory committee or

slate committee, except with respect to surplus distributions described previously.

[Sections 9-608(e) and 9-616(a) General Statutes]

Contributions from a political committee formed solely for a referendum are prohibited, except if one of the following applies:

- a) A portion or the entire surplus may be distributed, without limit, but only if the referendum committee had not received contributions from *any* business entities or organizations; or
- b) If the referendum committee had received contributions from any business entities or organizations, and the political committee contributed to the referendum committee, it may receive only a portion of the referendum committee's surplus distribution based upon that relationship which the aggregate value of all receipts from the political committee bears to the aggregate value of all receipts from all contributors to the referendum committee.

[Sections 9-608(e) and 9-620(a), General Statutes]

Contributions may not be accepted from a committee of a candidate for federal or an out-of-state office.

[Section 9-618(e), General Statutes]

Contributions from any committee not registered under Connecticut law are prohibited, except for a national committee of a political party as set forth in the preceding section.

[Sections 9-602(d), 9-618(e), General Statutes]

Contributions may not be accepted from a legislative caucus or legislative leadership committee.

[Section 9-618(2), General Statutes]

What Contributions May Be Made By a Political Committee to Candidates or Other Committees?

New Contribution Limits

New contribution limits were enacted in P.A. 05-5, An Act Concerning Comprehensive Campaign Finance Reform, and are detailed below. ***Please note*** that if a candidate for Statewide or General Assembly office chooses to participate in the Citizens' Election Program, such candidate is unable to receive contributions from any PAC.

Contributions Made by Political Committees:

All contributions or expenditures made by a PAC, whether monetary or non-monetary, to a candidate, candidate committee or other committee must be aggregated together with all prior contributions in order for the donor committee to ensure that it has not exceeded the limits applicable to that recipient.

**Please note that there are absolute prohibitions, rather than limitations, on contributions made by PACs established or controlled by lobbyists, principals of state and prospective state contractors, and investment services firms, to certain candidates or other committees. See Sections VII to IX, and Summary chart of "Permissible Contributions," in the back of this Guide.*

The following are the aggregate contribution limits for PAC giving to, or for the benefit of, the following recipients:

<i>Office Sought or Committee Type</i>	<i>Limit</i>
Governor	\$5,000*
Lieutenant Governor Secretary of the State Attorney General Comptroller Treasurer	\$3,000*
State Senator Chief Executive Officer of a Municipality Judge of Probate	\$1,500*
State Representative	\$750*
Other Municipal Candidate Exploratory Committee (undetermined office)	\$375*
State Committee for Municipal Candidates	\$2,000*
Business Entity Political Committee	\$2,000**
Organization Political Committee Two or More Individual Political Committee	\$2,000**
Town Committee	\$1,500**
State Central Committee	\$7,500**
Referendum Committee	\$2,000**

Table 1 - Contribution Limits made by a Political Committee

*The above limits to candidates apply for the entire duration of a candidate's campaign for nomination or election, and apply separately to primaries and elections. ***Additionally, such contributions may only be made to a candidate for statewide and General Assembly office who is not participating in the Citizens' Election Program.***

**The above limits to political committees apply for the calendar year.

Example A (Candidate Committees). If the donor PAC's contribution limit to the candidate is \$375 and it contributes \$375 by primary day, then an additional \$375 may be given by the same PAC for the election beginning the day after the primary. Another donor PAC that gave \$100 of its applicable \$375 limit by primary day would be allowed to give only another \$375 for the election. These rules are dependent on two critical factors (a) the candidate must be challenged in a primary, and (b) timing of receipt of the donor PAC's contributions in relationship to primary day. A contribution which is received after primary day qualifies only for the election contribution limit. Additionally, the candidate must appear on the general election ballot to qualify for additional contributions relating to the election.

Example B (Ongoing Committees). If the donor PAC contributed \$1,500 to another PAC on December 20th, it may only contribute an additional \$500 by the end of the calendar year because there is an annual \$2,000 contribution limit to this type of committee. However, on January 1st the donor PAC may contribute \$2,000 to the same committee irrespective of its prior contribution, because ongoing political committees have annual aggregate contribution limits.

- There is no additional contribution limit available to a candidate who has a deficit after an election. All such contributions are counted towards the limitation applicable to the election, and the limits apply for the duration of the election campaign.
- The PAC Contribution limit of \$375 to an exploratory committee of a candidate, applies for the life of the exploratory committee; and is not counted against the same PAC's contribution limit with respect to the same candidate's candidate committee.

[Section 9-618(a), General Statutes]

- Contributions to a slate of candidates for municipal elective office are limited to a maximum of \$2,000 for the life of the committee. There are no separate limitations available for primaries.
- Contributions to a candidate committee established solely for a primary for a town committee is unlimited; however a PAC's contributions to a slate committee established solely for a primary for town committee membership is limited to a maximum of \$2,000 for the life of the slate committee.
- A PAC may make contributions to a national committee of a political party or to a committee of a candidate for federal or out-of-state office under Connecticut law. However, the committee treasurer must refer to federal law or the laws of the applicable state jurisdiction to determine whether there are registration requirements and/or contribution limitations applicable to the PAC.

[Section 9-618(a), General Statutes]

Aggregate Contributions Made by a Political Committee:

- A business entity PAC may contribute up to an aggregate of \$100,000 to all candidates in the same election and primary campaign cycle.
- An organization PAC may contribute up to an aggregate of \$50,000 to all candidates in the same election and primary campaign cycle.
- There is no aggregate limit on contributions made by a PAC established by two or more individuals to all candidates in the same election and primary election cycle.

[Section 9-613(d), General Statutes]

[Section 9-615(c), General Statutes]

The Treasurer Alone May Make and Authorize Expenditures

The treasurer is the only individual who may authorize and make contributions or expenditures on behalf of the committee. (In the absence of the treasurer, the deputy treasurer may do so.) All committee expenditures must be made by check or debit card drawn on the PAC's checking account or credit card. PAC checks must contain the committee's name, address and the name of its treasurer. (See Section 9-607(1), General Statutes) The committee treasurer may allow a committee worker to be an authorized cardholder of a credit card issued to the PAC, provided that the individual's expenditures are for goods or services that are authorized by the treasurer for a lawful purpose of the committee. Additionally, a committee worker may be reimbursed by the PAC only if the following conditions are satisfied: (1) the worker has paid the expense from his or her own personal funds or personal credit card, (2) the treasurer authorized the expenditure, (3) the worker provides the treasurer with a written receipt from the vendor proving payment by the worker, (4) the expenditure is for the lawful purpose of the PAC and (5) the expenditure is not a contribution to any other committee. In addition, when a committee worker uses personal funds to make authorized expenditures on behalf of the PAC for which reimbursement is sought, such payments are deemed to

be contributions to the PAC to the extent that they are not reimbursed to the worker within 45 days from the date that such expenditure was made. This rule is necessary in order to avoid the unintended consequence of making an excessive contribution. Detailed records are required to be submitted by the worker which proves that the purpose of the expenditure was lawful, and the treasurer is required to retain such records for four years from the date of the report which disclosed the expenditure.

[Section 9-607(j), General Statutes and *In the Matter of a Complaint by Paul M. Carver*, SEEC File No. 2006-137]

What is a Permissible Expense?

All expenditures must be made to promote the “lawful purposes” of the committee. For a PAC, this means expenditures for administering the committee (overhead and operating expenses) and promoting the success or defeat of candidates for nomination or election to office in Connecticut or the success or defeat of referenda. Expenditures made to solicit contributions for the PAC or to conduct fund-raising events are lawful purposes.

Permissible overhead and operating expenses include the rental of real and personal property, the purchase of computer equipment and supplies, purchasing professional services, office supplies, utility costs, printing, postage, photocopying, compensation of committee staff and advertising. Also, any PAC organized under Chapter 155 of Connecticut’s Campaign Finance Laws may donate committee funds in *any* amount to the Citizens’ Election Fund for financing campaigns for Statewide or General Assembly offices.

[See Section 9-607(g)(1), General Statutes.]

A PAC may not be used for lobbying expenses. See definition of “What is Lobbying”, in Section 1. The expense must be made to influence an election, primary or referendum.

- No goods, services, funds and contributions received by any PAC may be made available for the personal use of any individual. Expenditures for “personal use” include expenditures to defray normal living expenses of any individual. Expenditures for personal use are those that which have no direct connection with, or effect upon, the political committee.

[Section 9-607(g)(2)(L), 9-607(g)(4), General Statutes]

- Other improper expenditures include any expenditures by PAC officers or workers which have no substantial relationship to the lawful activity of the PAC.
- PAC funds or resources may not be used to provide an honorarium to compensate, or make a gift to, an elected public official for a speaking engagement or other service rendered on behalf of the committee unless they are (1) contributions made directly to the official’s candidate committee, within the contribution limits allowed to the committee, or (2) reimbursement for the elected official’s actual travel expenses to make the speech or perform the service, or for food and beverage consumed by the elected official or members of the elected official’s immediate family at the speaking engagement.

[Section 9-607(h), General Statutes]

- A PAC which is established or controlled by an elected official or candidate for elective office, or his/her agent can not make contributions to that official’s campaign.

- A PAC may make contributions to charitable organizations under Section 501(c)(3) of the Internal Revenue Code, as amended from time to time, including purchasing tickets to charitable events or advertising related to such events.
- Legislative Caucus Committees may also expend funds for conducting legislative business that are not paid or reimbursed by the State, or for defraying costs of constituency related business. These are the only type of PACs permitted to make such expenditures.
- A PAC may make a gift to any committee worker subject to a limit of \$100 per year/per recipient except for elected officials.
- A PAC may also purchase flowers or other commemorative items subject to the \$100 per year per recipient rule.

[Section 9-607(g)(T)(U) General Statutes]

The Treasurer May Establish a Petty Cash Fund

The treasurer of a PAC is permitted to establish a single petty cash fund by drawing a check on the committee's account in an amount which may not exceed \$100. The treasurer may replenish the petty cash fund from time to time, provided that the total balance of the fund may never exceed \$100, and provided further that the fund is not replenished more than twice in any seven (7) day period.

Expenditures made from a petty cash fund are limited to \$25 per transaction (i.e. purchase of supplies for the committee) and must be reported by the treasurer in the same manner as any other expenditures. The treasurer must maintain a written account of all petty cash expenditure disbursements and keep such records for four (4) years from the date of the report in which they were disclosed.

[Section 9-607(e), General Statutes; Regulations of Conn. State Agencies §9-607-1]

Treasurer of a Business Entity Political Committee or Organization Political Committee May Establish a Voluntary Payroll Deduction Program for Contributions

A business entity PAC or organization PAC may solicit voluntary contributions from the sponsoring entity's employees or members through payroll authorization cards. The treasurer must retain the completed and signed payroll authorization card, and must obtain new authorizations annually. The contributor must have the right to designate the amount to be contributed, or to refuse to participate at all without consequences.

[Commission Advisory Opinion No. 80-3]

Treasurer May Appoint Solicitors

All solicitors must be appointed by the treasurer. Solicitors may receive monetary and non-monetary donations on behalf of the PAC, including but not limited to receipts related to fund-raising events sponsored by the PAC as well as donations received while engaging in door-to-door solicitation of individuals.

The solicitor may never deposit PAC funds in the account; only the treasurer may do so. The solicitor must, within seven days of receipt of any goods, funds or contributions, deliver the same to the treasurer for acceptance. The treasurer must deposit funds within fourteen days of his receipt from the solicitor. A solicitor also may not expend funds he or she receives, and must deliver them only to the treasurer, in the form he or she received them (i.e. cash received from contributors is delivered in same cash form to Treasurer).

There are no limitations on the number of solicitors that the treasurer may appoint. However, there are special restrictions or other legal consequences concerning the following individuals serving as solicitors; communicator lobbyists, their immediate family members, principals of state contractors and prospective state contractors, investment services firms, state department heads and deputy department heads. See Sections VIII, IX, and XII of this Guide.

No later than one day prior to the treasurer's required filing date, each solicitor must submit to the treasurer a list of the names and addresses of all persons from whom monetary or non-monetary receipts were collected by the solicitor or promised to the solicitor, on behalf of the committee.

[Section 9-606(c), General Statutes]

The treasurer should keep an accurate list of the name and address of each individual who is appointed to serve as a solicitor. Although the names of solicitors need not be disclosed in the treasurer's financial disclosure statements, the law requires the treasurer to keep internal records, which may be subject to audit, including a record of each such appointment and the term of appointment.

A PAC established by an organization which is funded exclusively from the organization's treasury may not have solicitors.

Treasurer Must Retain a Record of All Committee Monetary and Non-Monetary Receipts and Expenditures and Must Keep Internal Records

The treasurer must retain bank statements, deposit tickets, bills, credit card and debit card slips and statements (see subsection entitled, "Credit Card Contributions from Individuals," in Section VI of this Guide) invoices, travel itineraries and cancelled checks relating to all committee receipts expenditures. For reimbursements to PAC workers, the treasurer must retain any cash register receipts or other satisfactory documentation from any worker who has been reimbursed for items purchased directly. There must be documentary or written evidence that the expenditure was made for a permissible purpose of the PAC. These internal records must be kept for four years from the date on which the receipts or expenditures are required to be reported. Internal records must be kept in support of each entry on the treasurer's statement of receipts and expenditures, (SEEC Form 20) solicitor appointments, copies of tickets printed, invitations, compensation and loan agreements, etc. It is strongly recommended that copies of checks received be kept.

[Sections 9-606(a), 9-607(f), (j), General Statutes]

The treasurer is required to publicly disclose in the PAC's campaign financial statements the different categories of information regarding each individual who has contributed in excess of \$50 in the aggregate to the committee in a calendar year. Consequently, it is important to internally record the contributor information on a ledger, computer, or index card system to ensure that the reporting requirement is satisfied at the time the individual exceeds the \$50 threshold.

[Section 9-608(c), General Statutes]

Treasurer to Provide Written Valuation of In-Kind Contributions made to Other Committees

A treasurer of a PAC that makes an in-kind contribution of goods or property to another committee must send a written notice to the treasurer of the recipient committee before the close of the reporting period that corresponds with the committee's next financial disclosure statement. The treasurer of the donor PAC is required to sign the valuation notice, which must include the full name of the PAC, the date on which the in-kind contribution of goods was made, along with a complete description of the item and its value. While a written valuation notice is not similarly required for

donated “services” (i.e. paid campaign staff which is loaned to the other committee), the recipient committee’s treasurer is nevertheless required to make due inquiry of the donor PAC as to the value of the in-kind services loaned and report it as in-kind contribution the financial disclosure statement, which corresponds with the period of loaned services.

[Section 9-606(a), General Statutes]

Treasurer Files Periodic Disclosure Statements of the Committee’s Receipts and Expenditures

The treasurer must file a financial disclosure statement with the SEEC (or Town Clerk’s office, if applicable) by the following dates: the 10th day of January, April, July and October, and 7th day prior to a state election, which is the November election in even numbered years. (See “Where to File” in Section II of this Guide.) In addition, if the PAC has made or received a contribution or expenditure in connection with any other election, a primary or a referendum, the treasurer shall file a report on the 7th day preceding the applicable election, primary or referendum. If any such deadline falls on a Saturday, Sunday or legal holiday, the statement shall be filed on the next business day. This filing must be submitted during the filing period, which begins at the conclusion of the reporting period and ends on the filing deadline. A more specific calendar, with the actual filing dates and reporting periods, is available from the SEEC or any office of a Town Clerk. Statements are timely if they are either postmarked by the United States Postal Service, or by a delivery service designated by the Secretary of the Treasury of the United States, before midnight on or before the required filing date or delivered by hand to the SEEC (or Town Clerk, if applicable) by the close of business hours on or before the filing date.

[Sections 1-2a, 9-608(a), and 9-608(d) General Statutes, as amended by P.A. 05-235]

[Warning: Some town clerk’s offices may not have office hours or may have shortened office hours on a filing deadline day. This does not relieve the treasurer of filing by the deadline, so be sure to check about the office hours of the town clerk if delivery by hand is anticipated.]

The financial disclosure statement, entitled “Itemized Campaign Finance Disclosure Statement,” and referred to as SEEC Form 20, generally includes all financial activity of the PAC: The sources of and amounts of all contributions, other monetary receipts, non-monetary receipts constituting in-kind contributions, certain non-monetary receipts in connection with a fundraising event whether or not they constitute contributions, and expenditures made by or incurred by the PAC. The treasurer may electronically replicate this form and file a computer print-out or, if necessary, may use the pre-printed paper form prescribed by the State Elections Enforcement Commission which may include, where necessary, typed schedules and attachments.

Beginning with the January 10, 2008 filing date, the SEEC will have an online committee registration and treasurer reporting system for use by all PACs which are required to file with the SEEC. PAC chairpersons and treasurers are encouraged to use the system, known as e-CRIS, as it is not only easy to use but will also facilitate compliance with all applicable laws. PAC chairpersons and treasurers must establish secure user accounts to file on line statements.

The treasurer of a PAC may be able to use, for certain filings, an unitemized disclosure statement, entitled “Short Form Campaign Finance Disclosure Statement,” SEEC Form 21, which certifies that the committee has not had monetary or non-monetary receipts or made expenditures in excess of \$1,000 from the beginning of the calendar year to the close of the relevant reporting period. This form will also be available for on line filers.

Once an SEEC Form 20 is required for the financial reporting of the PAC, the treasurer must then continue to use the SEEC Form 20, for all of the committee's remaining required financial disclosure statements in the calendar year. Further, the first SEEC Form 20 must include *all* of the reportable financial transactions which have occurred since the creation of the committee or beginning of the calendar year, which is later, to the end of the reporting period covering the first SEEC Form 20.

The reporting period for each financial disclosure statement filed on the 10th day of January, April, July and October must include the financial activity of the PAC beginning the first day not included on the last filed financial disclosure statement and ending on the last day of the month preceding the month in which the statement is required to be filed. Each financial disclosure statement filed on the 7th day preceding Election Day or Primary Day, however, must include the financial activity of the committee beginning the first day not included on the last filed financial disclosure statement and ending as of seven (7) days immediately preceding the required filing deadline day.

In addition to the quarterly and pre-election statements, financial disclosure statements are required to be filed by each campaign treasurer of a PAC formed for a single primary, election or referendum, within forty five (45) days after the election, if the election is *not* held in November.

[Section 9-608, General Statutes]

Late Filing Fees

Failure to file the financial disclosure statement by the applicable deadline results in the automatic \$100 late filing fee, which must be paid by the treasurer from personal and not committee funds. Late filing fees are payable to the Town Clerk if file filing was due there; or to the SEEC if the filing was due at the SEEC.

In addition, the failure by the treasurer to submit the delinquent statement within 7 days after receiving a failure to file notice from the Town Clerk by certified mail, return receipt requested, and within 21 days after notice from the SEEC, will subject the treasurer to an additional civil penalty of at least \$200 to \$2,000. These additional fines and penalties are enforced by the SEEC and the Town Clerk is required to refer such failures to the Commission in a timely fashion after the 7 day late period expires.

[Section 9-623, General Statutes]

Copies of Disclosure Statements

The treasurer must provide the committee chairman with a duplicate copy of the financial disclosure statement at the time of filing.

[Section 9-608(d), General Statutes]

IV. FUND-RAISING EVENTS

A “fund-raising event” is a political gathering sponsored by the PAC for which it charges an attendance fee, or may include such events as a tag sale or auction. The conduct of a fund-raising event has implications under the law which include: whether the funds or resources given or received are treated as contributions, or as receipts which are not contributions; and how to disclose these types of receipts on the treasurer’s financial disclosure statement.

Whether Monetary and Non-Monetary Receipts at a Fund-raising Event Constitute Contributions

Certain monetary and non-monetary receipts are not considered contributions under the law. A monetary receipt consists of cash, check, other negotiable bank instrument or payment by credit card. A non monetary receipt consists of property, goods or services. Each receipt constitutes a “contribution” *unless* it falls within one of the narrowly defined exemptions. Certain transactions associated with a fund-raising event may result in receipts that are not considered contributions depending on the dollar value of the receipt. These receipts may still be reportable and must be disclosed in Section L-2 (Proceeds from Tag Sale, Auction or Other Sale of Donated Items”) or Section L4 (“In-Kind Donations Not Considered Contributions,”) of SEEC Form 20. Once these dollar limits are exceeded, the entire receipt must be reported as an itemized “contribution” in Section B (for monetary contributions) or Section M (for in kind contributions) of the SEEC Form 20. A monetary receipt for an item purchased at a fund-raising event is not reduced by the value of the item (i.e., price paid for television purchased at a committee sponsored tag sale is not diminished by the fair market value of the television). In addition, the full amount of the purchase price of a ticket to a fundraising event is a contribution, and is not reduced by the value of the food served at the event.

[Section 9-601a(b), General Statutes]

The following is a list of the most significant types of monetary and non-monetary (in kind) receipts which are not considered contributions:

- The donation or purchase by an individual of an item of personal property to a committee for a fund-raising event if the aggregate amount of the donation or purchase does not exceed \$50. Report in Part II of SEEC Form 20 (Fundraising Event Activity”); for donations use Section L4, and for purchases use Section L2.

[Section 9-601a(b)(9), General Statutes]

Example A. Jane Doe donates three compact discs to a PAC to be sold at a tag sale, and the fair market value (retail cost) of each CD is \$10, or a total of \$30. This non-monetary receipt is not a contribution and would be reported in Section L4 as an “in-kind donation.”

Example B. Jane Doe purchases a used television for \$60 at a committee sponsored tag sale. She has made a \$60 contribution because the purchase is over \$50. This monetary receipt constitutes a contribution from Jane Doe of \$60 which is counted against her contribution limit to the PAC and must be separately itemized in Section B of SEEC Form 20.

- The donation by a business entity of goods or services for a fund-raising event if the aggregate value of the goods or services does not exceed \$100. These items will be reported in Section L4 as an “In-kind donation.” Please note that *a business entity may only donate goods or services that it sells or provides as part of its business*. If the value of these goods or services exceeds \$100 it is an illegal contribution. Fair market value is generally what a willing buyer would pay for the item or service to a willing seller. It is the retail value of the goods, property or services.

[Section 9-601a(b)(12), General Statutes]

Example C. ABC Corporation, a printing company, donates free printing services to a PAC for invitations to a picnic. The printing is valued at \$90. This non-monetary receipt is not a contribution and must be reported as an “in-kind donation” in Section L4.

Example D. The same corporation donates \$110 worth of printing to the PAC. It has made a prohibited contribution because the value of the printing exceeds \$100 and therefore this exemption does not apply. The in-kind contribution may not be accepted and must be returned immediately by the treasurer, or the PAC must purchase the printing from ABC Corporation.

[Sections 9-601a(b)(12) and 9-613, General Statutes]

Reporting of Fund-raising Events

The treasurer is required to disclose *all* receipts of a fund-raising event whether or not the receipt constitutes a contribution to the committee. The purchase of fund-raising event tickets are considered contributions, and therefore must be reported in Section A or B, dependent upon the amount purchased by the contributor and the amount of other contributions by the same contributor. The date, location and a description of each fund-raising event are required to be reported in Section L1 “Fundraising Event Information” of Part II of SEEC Form 20. PAC treasurers are required to answer the three (3) questions concerning the fundraiser in subpart 1 of Section L1. Based upon the responses, the form’s instructions will guide the treasurer to complete Sections L2 or L4, or both. Each event must be assigned a unique event number by the treasurer for reporting purposes. See instruction to SEEC Form 20.

The funds received from a tag sale, auction or similar fund-raising event that do not constitute contributions must be disclosed in Section L2 of Part II of the SEEC Form 20. Such itemization must include the name and address of each such purchaser and the aggregate amount of the purchase. Only individuals may make such purchases. If the aggregate amount purchased exceeds \$50 the purchaser has made a contribution which must be itemized in Section B.

The goods, property or services donated to the PAC must be accounted for in Section L4, along with the information required in that Section. If an individual’s in kind donations to the event exceeds \$50 in value, the donor must be disclosed as a contribution in Section M.

Each expenditure made by the committee for the fund-raising event must be separately itemized and disclosed by the treasurer in the same manner as any other committee expenditure in Section IV “Expenditures” of the SEEC Form 20. The treasurer cannot merely disclose the net proceeds of the event.

[Section 9-608(c), General Statutes]

Ad Book Purchase is Repealed

PACs are no longer able to sell ads to business entities, other organizations or entities for a program booklet connected to a fundraising event. Any such purchase of an ad is considered a contribution and subject to the prohibition on contributions by business entities or unregistered entities. A contribution may only be made from a permissible source. The exemption only continues for candidates for municipal office and town committees. However town committees cannot receive ad purchases from lobbyists or contractors.

PAC treasurers *should not* be entering information in Section L3 (“Purchases of Advertising in a Program Book”) SEEC Form 20.

[Sections 9-613, 9-601(10) (a) and (b) General Statutes]

V. PUBLIC DISCLOSURE OF FINANCIAL INFORMATION

This Section discusses the legal requirements pertaining to public disclosure of contributions made to, and expenditures made by, a PAC.

Who Reports?

The treasurer or, in the treasurer's absence or inability, the deputy treasurer is required to file all financial disclosure statements. All PAC registration and campaign finance disclosure statements are available to the public from the filing repository (SEEC or Town Clerk).

How and Where to Report?

The PAC treasurer must use SEEC Form 20 or, if applicable, the SEEC Form 21. The report must be filed with the SEEC or Town Clerk's office depending on the scope of the PAC's activities. The SEEC Form 20 or 21 must be filed with the same repository as the PAC registration statement. (See "Where to File a Registration Statement" in Section II of this Guide.)

Is Electronic Reporting Available?

Yes. Any PAC that must register and file campaign reports with the SEEC may do so by using our new e-CRIS system which will be available for use in January, 2008. Electronic filing is not mandatory for PACs filing with the SEEC, but it is encouraged. Paper report filing is the only method available for PAC's filing with the Town Clerk.

When to Report?

On the 10th day of January, April, July and October, and on the 7th day preceding a state election. The PAC treasurer must also file on the 7th day preceding any other election, primary or referendum in connection with which it has made an expenditure or contribution. Independent expenditure reports must also be filed, if applicable. See Section VI of this Guide.

What Information Must Be Reported?

Monetary Receipts and Contributions

- All monetary receipts, whether or not such receipts constitute contributions; all non-monetary receipts that constitute contributions; certain non-monetary receipts in connection with a fundraising event whether or not they constitute contributions; and all expenditures made or incurred by the PAC must be reported on the financial disclosure statement.
- Monetary and non-monetary contributions of over \$50 in the aggregate during the calendar year received from an individual requires disclosure of the donor's name and residence address, amount received during the relevant reporting period, method of contribution, date of the contribution and the aggregate amount given during the life of the committee. Non-monetary contributions are to be recorded as "In-Kind Contributions," in Section M of the SEEC Form 20. In addition, all non-monetary contributions are itemized in the same manner as monetary contributions, and require a description of the contribution. If the PAC has been established solely for a single primary, election or referendum, the aggregate contributions include all contributions received since the inception of the PAC.
- If a contribution in excess of \$50 in the aggregate from a lobbyist, or the spouse or dependent child of a lobbyist, the treasurer must also include lobbyist status in addition to the contributor's name and address on the disclosure statement. A dependent child is one who resides in the

lobbyist's household. It is the responsibility of the lobbyist or family member of the lobbyist to provide this information to the treasurer, and is an obligation on the treasurer to report it. *Please note:* There are special prohibitions on the making and soliciting donations from lobbyists and their immediate family members that apply to PACs established or controlled by a statewide elected officer or member of the General Assembly or candidate for any such office, including a legislative leadership or caucus PAC. (See Section 9-610(h),(i), General Statutes)

[Section 9-608(c)(l), General Statutes]

- Any individual who contributes to the PAC in excess of \$100 in the aggregate, but not more than \$1,000, must also provide the treasurer with his principal occupation and name of employer. There is an obligation on the treasurer to make due inquiry for this information.

[Section 9-608(c), General Statutes]

- The sum of all monetary contributions from individuals (as distinguished from other sources, such as other committees) of \$50 or less in the aggregate during the calendar year may be disclosed as an aggregate total, and entered in Section A of Part I of SEEC Form 20. *Please Note:* As soon as monetary contributions from any such individual exceeds \$50 in the aggregate in the calendar year*, the itemized contribution information described earlier must be disclosed and entered in Section B of Part I. Therefore, a treasurer must maintain internal records of *all* contributions; even those that can initially be aggregated in Section A. (*For durational PACs, contributions are aggregated on a campaign to date basis)
- Anonymous monetary receipts of \$15 or less during the reporting period are entered in Section I "Anonymous Contributions," and must include the denomination of the bills and the total value of all coins received anonymously.
- The name and address of any bank or other lender which has made a loan to the committee, and the principal amount of the loan received in a reporting period must be disclosed as "Loans Received," in Section D of SEEC Form 20 along with the name and address of any person who is a guarantor or cosigner of the loan. Outstanding loan balances must be continuously reported as a debt, on the Summary Page of the SEEC Form 20.
- Information concerning each fund-raising event is required to be reported in Section L1 of the SEEC Form 20.
- Any receipt during the reporting period from another committee must be reported as either a contribution, and disclosed in "Contributions from Other Committees" Section C1; or as a reimbursement that is not a contribution, in Section C2.
- All other monetary receipts that are not contributions must be disclosed. Examples include interest posted or received from deposits in authorized investment accounts (reported as "Interest from Deposits in Authorized Accounts," Section J); bank credits or refunds (reported as "Miscellaneous Monetary Receipts not Considered Contributions," Section K); and certain other monetary receipts from fundraisers in Section L2.

[Section 9-608, General Statutes]

- For a PAC established by a business entity, the amount and date of funds transferred from the business entity treasury to pay for reasonable and necessary administrative costs in operating the PAC and solicitation expenses are monetary receipts of the committee which must be reported in Section F, "Amount Transferred From Corporate and Business Treasury." But see discussion of what constitutes reasonable and necessary under "What a Business Entity Political Committee Can Accept" in Section III of this Guide.

- For a PAC established by an organization which has elected to be funded exclusively from the treasury of the organization, the amount and date of funds transferred from the treasury is a monetary receipt which must be reported in Section G, “Amount Transferred From Parent Organization.”

In-Kind Contributions Received by the PAC

An In-kind contribution is the donation of property, goods, services or other items of value given free of charge or at less than the usual and customary charge to the PAC. An In-kind contribution is valued at the usual and customary charge less any amount paid by the PAC.

A discount is the difference between the usual and customary charge for goods or services and the amount charged to the PAC. A discount is a type of In-kind contribution.

Contributions of goods and services must be disclosed as “In-Kind Contributions” in Section M of SEEC Form 20. *Please Note:* Uncompensated services provided by an individual who volunteers his or her time to a committee is not an in-kind contribution and need not be reported. However, services that are provided by an individual which are compensated by another committee, individual, or any other entity, must be reported as an in-kind contribution, and are subject to source and amount restrictions.

An expenditure made by another individual, other committee or other entity of any kind that is coordinated with, authorized by, or provided at the request or suggestion of the PAC or its agent is an in-kind contribution and must be reported as such in SEEC Form 20.

Each treasurer of a PAC which makes an in-kind contribution of goods, items, or services to a candidate committee is required to send written notice to the recipient committee’s treasurer setting forth the donor treasurer’s valuation of the in-kind contribution. See discussion in Section III of this Guide.

[Section 9-606(a), General Statutes]

Expenditures Made By the PAC

Each expenditure, regardless of the amount, must be separately itemized accompanied by the following information: (1) the payee’s full name and address; (2) the amount, (3) method of payment, (4) date; (5) the correct Expenditure Code identifying the purpose of the expenditure; (6) the candidate supported or opposed by the expenditure, if applicable; and (7) whether the expenditure is coordinated or independent. If the expenditure was made in connection with a fundraising event, the treasurer must enter the proper code (“FNDR”) and the corresponding event reference number (listed in section L1,) in the “Description” field of Section P.

All Expenditures that are paid in the reporting period are entered in Section P of SEEC Form 20.

For a discussion of independent and coordinated expenditures refer to Section VI of this guide. If independent expenditures made by a PAC to promote the success or defeat of a candidate for Statewide office or the General Assembly do not exceed \$1,000 in the aggregate for a primary or election, then the treasurer must report them on SEEC Form 20. If the independent expenditure exceeds \$1,000 then refer to “Reporting of Independent Expenditures” in Section VI for special reporting requirements.

Loan repayments are expenditures and also reported in Section P, corresponding with the correct expenditure code. The name and address of each bank or other lender, the amount and date of the repayment (principal plus interest) on the loan during the applicable reporting period must be reported.

Each expenditure made with the PAC's credit card must be separately itemized, as described above.

Each expenditure that is a reimbursement to a committee worker must be treated as any other expenditure. When a treasurer reimburses the worker, use "RCW" as the expenditure code and report it in Section P. The treasurer must also separately disclose the information required, and purpose of each item the worker was reimbursed for in Section S.

If a consultant is paid by the committee to provide services, the payment to the consultant is entered in Section P. However, as in the case of reimbursements to committee workers, the treasurer must also complete Section T. Each secondary payee to whom the consultant has made a payment, must be reported in Section T. Secondary payees are those vendors who received a payment from the consultant or committee worker for goods or services purchased by the consultant or worker, for which the PAC has paid the consultant, or reimbursed the worker.

Each expense incurred but not yet paid must also be separately itemized in the same manner as expenditures paid. These are reported in Section S, "Expenses Incurred by Committee but Not Paid During this Period." The obligation to report expenses incurred arises when the committee has received the goods or services.

[Sections 9-607(j) and 608(c), General Statutes]

Other Reporting Information

- All monetary receipts, whether or not they constitute contributions, must be reported in the period received.
- Loans received by the PAC from a source other than a bank or other financial institution are considered contributions until the principal amount of the loan is repaid. Such loans may never exceed the permissible contribution limits applicable to the donor and may never come from a prohibited source.

[Sections 9-601a(a)(1), 9-601a(b)(1), General Statutes]

- Loans made by the PAC to another committee are considered contributions subject to prohibitions or amount restrictions under applicable provisions of the Campaign Finance Laws.
- Monetary receipts in the form of personal checks written on joint accounts are attributed to the individual who signs the check.

[Section 9-606(b), General Statutes]

- A monetary receipt in the form of a money order which bears a legible signature of the donor is considered a bank instrument. If the money order does not bear a legible signature it is considered to be "cash" and should be reported as such. There is a limit of \$100 of contributions made by cash or money order.

[Section 9-611(d), General Statutes; State Elections Enforcement Commission Advisory Opinion No. 75-5]

- All funds received and accepted by the PAC's treasurer must be deposited into the committee's ***single checking account*** at its designated Connecticut depository institution. However, the treasurer may withdraw funds from this checking account for placement in investment accounts to earn higher interest. Monetary receipts received by the PAC cannot be deposited directly into these other accounts but must be first deposited into the single checking account; nor can expenditures of any kind be made directly from such investment accounts except for the purpose of re-depositing the funds into the single checking account established within the designated depository institution. All monies, including interest, must be returned to the checking account

before the funds may be expended by the PAC. Further, the aggregate balance of all such accounts must be reported in the balance on hand on the PAC's disclosure statements. Transfers made between the checking account and the investment account(s), if applicable, need not be reported as expenditures.

[State Elections Enforcement Commission Advisory Opinion No. 75-6)

VI. SPECIAL TOPICS

Independent Expenditures or Coordinated Expenditures?

"Independent expenditures" occur when a PAC makes an expenditure to promote the success or defeat of a candidate without the consent, knowing participation, or prior consultation of, a candidate or agent of the candidate. An independent expenditure does not count as a contribution to the candidate who is benefited thereby. However, such expenditure may have consequences both for the PAC making it and the candidate for whom it supports or opposes. Independent expenditures are *not* "coordinated expenditures."

A coordinated expenditure means an expenditure made by a PAC:

- In cooperation, consultation, in concert with, at the request, suggestion or direction of, or pursuant to a general or particular understanding with (i) a candidate, candidate committee, or (ii) a consultant or other agent acting on behalf of a candidate or candidate committee;
- For the production, dissemination, distribution or publication, in whole or in substantial part, of any broadcast or any written, graphic or other form of political advertising or campaign communication prepared by (i) a candidate, candidate committee, political committee or party committee, or (ii) a consultant or other agent acting on behalf of a candidate, candidate committee, political committee or party committee;
- Based on information about a candidate's plans, projects or needs, provided by (i) a candidate or candidate committee, or (ii) a consultant or other agent acting on behalf of a candidate or candidate committee, with the intent that such expenditure be made;
- Who, in the same election cycle, is serving or has served as the campaign chairperson, campaign treasurer or deputy treasurer of a candidate committee benefiting from such expenditure, or in any other executive or policymaking position as a member, employee, fundraiser, consultant or other agent of a candidate or candidate committee;
- For fundraising activities (i) with or for a candidate, candidate committee, or a consultant or other agent acting on behalf of a candidate or candidate committee, or (ii) for the solicitation or receipt of contributions on behalf of a candidate or candidate committee, or a consultant or other agent acting on behalf of a candidate or candidate committee;
- Based on information about a candidate's campaign plans, projects or needs, that is directly or indirectly provided by the candidate, the candidate's candidate committee, or a consultant or other agent acting on behalf of said candidate or candidate committee, to the PAC or the PAC's agent, with an express or tacit understanding that said PAC is considering making the expenditure; or

- For a communication that clearly identifies a candidate during an election campaign, if the PAC making the expenditure, or PAC's agent, has informed said candidate or the candidate's candidate committee, or a consultant or other agent acting on behalf of the candidate or candidate committee, concerning the communication's contents, intended audience, timing, location or mode or frequency of dissemination.

Whether an expenditure is independent or coordinated is a fact based determination made on a case by case basis, applying the standard described above. If an expenditure is coordinated with a candidate, it constitutes an in-kind contribution to the candidate's campaign and must be within applicable limits or subject to any other prohibition to the extent that contributions from the particular type of PAC are prohibited. See Sections VII, VIII and IX of the Guide for further explanation of prohibition on PAC contributions including in-kind contributions.

If the expenditure by the PAC is an independent expenditure made with the intent to promote the defeat of participating candidate it may result in a matching grant from the CEP and/or disclosure of any independent expenditure by the person or PAC making the expenditure, as detailed below.

A PAC is deemed to have made an expenditure if it finances a communication during the ninety days preceding the date of an election for any advertisement that refers to one or more clearly identified candidates and that is broadcast by radio or television, other than by means of a public access channel, or that appears in a newspaper, magazine or on a billboard. The cost of any such advertisement meeting this criteria is considered an expenditure, and could be independent or coordinated (in-kind contributions) as discussed above. However, there is an exception that allows for business entities to run commercial advertisements, during this restricted period, that refer to such business's owner, director or officer who is also a candidate, provided that such commercial advertisements had been broadcast or appeared prior to such individual's becoming a candidate.

[Sections 9-601(18) and (19), 9-601b(a)(2), 9-608, 9-612, 9-714, General Statutes]

Special Reporting of Independent Expenditures

Any PAC which makes or obligates to make an independent expenditure or expenditures, intended to promote the success or defeat of any candidate for statewide office or the General Assembly, which exceeds one thousand dollars, in the aggregate, during a primary campaign or a general election campaign, shall file a *separate* report of such independent expenditure to the SEEC using SEEC Form 20.

In addition, if the PAC makes or obligates to make such independent expenditure(s) in excess of \$1,000 *more than twenty days* before the day of a primary or election, the treasurer shall file the SEEC Form 20 *not later than forty-eight hours after such expenditure is made or obligated*. Furthermore, if the PAC makes or obligates to make such independent expenditure(s) *less than twenty days* before the day of a primary or election, the treasurer shall file such report *not later than twenty-four hours after such expenditure is made or obligated*. The report shall be filed under penalty of false statement.

[Section 9-612(e)(2), General Statutes]

The independent expenditure report described above must include a statement identifying the candidate for whom the independent expenditure(s) is intended to promote the success or defeat, and affirming that the expenditure is not a coordinated expenditure.

[Sections 9-612(e)(3), General Statutes]

Any person may file a complaint with the SEEC upon the belief that an independent expenditure report or statement is false, or upon belief that any PAC or person who is required to file an independent expenditure report has failed to do so.

[Section 9-612(e)(4), General Statutes]

Severe Penalties for Failure to File Independent Expenditure Reports

If a PAC fails to file a required report for an independent expenditure or expenditures made or obligated to be made *more than twenty days* before the day of a primary or election, the treasurer shall be subject to a civil penalty, imposed by the SEEC, of not more than five thousand dollars. Moreover, if a treasurer fails to file a required report for an independent expenditure(s) made or obligated to be made **twenty or less days** before the day of a primary or election, the treasurer shall be subject to a civil penalty, imposed by the SEEC, of not more than ten thousand dollars. Finally, if any such failure to file a required report is knowing and willful, the treasurer responsible for the failure shall be liable for the fines and potential imprisonment of five years or both.

[Section 9-612(e)(4), General Statutes]

Citizens' Election Program (CEP)

The Citizens' Election Program (CEP) is a voluntary program which provides full public financing to qualified candidates for Statewide offices and the General Assembly. To participate, candidates must raise a threshold of qualifying contributions from individuals only (no PACs), agree to abide by certain requirements, including contribution and expenditure limits and disclosure requirements. Upon qualification, the candidate receives a grant to finance his or her campaign for election. This voluntary public campaign financing program was designed to encourage citizen participation and limit the role of private money in the State of Connecticut's campaign process. The Program is administered by the State Elections Enforcement Commission, and candidates are subject to specific restrictions if they choose to participate in the program.

For further information regarding the CEP please contact: the Public Financing Unit of the SEEC at (860) 256-2985. For purposes of this guide, it is important to note that candidates participating in the CEP may *not* receive contributions from any PAC.

Voluntary Contributions to the CEP

PAC contributions cannot be accepted by candidates for Statewide office or the General Assembly who are participants in CEP. However, PACs may make voluntary contributions to the Citizens' Election Fund. The SEEC asks that PACs consider such contributions. Donors will be listed on the SEEC website (unless the donor requests otherwise) and contributions to the fund are allowed from all sources. Checks should be made payable to the Citizens' Election Fund, and sent to the State Elections Enforcement Commission, 20 Trinity Street, 3rd Floor, Hartford, CT 06106, Attention: Jean W. Love, Fiscal Administrative Manager.

[Section 9-751, General Statutes]

Organization Expenditures

Organization expenditures may be made *only* by PACs that are legislative leadership and legislative caucus committees (and political parties). If an expenditure is considered an organization expenditure, it does not count as a contribution. However, certain organization expenditures are subject to amount limitations. Each statement filed by the treasurer of a legislative caucus committee or legislative leadership committee shall include an itemized accounting of each organization expenditure made by the PAC. At the time of filing the itemized accounting of organization

expenditures, the PAC treasurer shall provide notice of the amount and purpose of the organization expenditure to the candidate committee of each such candidate.

Organization expenditures are reported on SEEC Form 20, Section P, "Expenses Paid by Committee." If the expenditure is an organization expenditure, check off the box "organization" in Section P under "Type of Expenditure." Examples of organization expenditures include:

1. A "party candidate listing," is a communication including the name or names of candidates, candidate photos, offices sought, party enrollment of the candidate(s); treatment of all candidates is substantially similar, and content is limited to brief statements of candidate or party positions, philosophies, biographies and encouragement to vote for such candidate; and information concerning voting, including hours and locations. To qualify, *such communications can not promote the defeat of any candidate.*
2. A document in printed or electronic format such as party platform or issue paper or compliance information, or provision of a list of registered voters;
3. A campaign event at which a candidate or candidates are present. However, if an entry fee is charged for the campaign event or the event is a fundraiser for the sponsoring organization, the collected funds cannot be used as, or considered to be, qualifying contributions. If the participating candidate attends such an event, he or she may bring a treasurer or designated solicitor to collect qualifying contributions in connection with his or her appearance;
4. Payment for services of a professional advisor on campaign organization, financing, accounting, strategy, law, or media; and
5. The use of headquarters, facilities, and equipment for the candidate provided there is no additional cost to the committee.

For the complete definition of "organization expenditure" see Section 9-601(25) of the General Statutes. Again, legislative leadership committees, legislative caucus committees, and party committees are the only types of committees that are eligible to make organization expenditures that do not count as contributions to the candidates.

Organization expenditures that consist of "party candidate listings" can not be made for the benefit of a candidate in a primary for the offices of State Senator or State Representative, where the candidate is participating in the CEP. In connection with a general election campaign, a legislative caucus committee or a legislative leadership committee may each make organization expenditures of any type described above subject to a limit of \$3,500 for the benefit of a participating candidate for State Representative and \$10,000 for the benefit of a participating candidate for State Senate.

[Sections 9-601(25), 9-601a(16), 9-608(5), and 9-718 General Statutes;

A Loan is a Contribution

Loans made to or from a PAC are considered as contributions, except loans made to a PAC by a bank in the ordinary course of business. Loans that are contributions are subject to the overall limit on contributions to the committee. The amount of the contribution is equivalent to the principal amount of the outstanding loan. An unpaid loan, when added to other contributions from the same donor, may not exceed the contribution limit applicable to that donor. Repayments made on the loan reduce the amount of the contribution. Once repaid in full, a loan no longer counts against the donor's contribution limit.

All loans are reported in Section D, “Loans Received this Period,” of SEEC Form 20 regardless of whether they are considered contributions. The committee treasurer and the individual or bank making the loan must execute a written agreement, and the treasurer must retain a copy of the agreement for the same period as other internal records. A loan balance must be continuously reported on the Summary Page of the SEEC Form 20 until repaid.

[Sections 9-601a(a)(1), and 9-601a(b)(1), General Statutes]

Computers Used or Acquired by Committees

Use of Personal Computer at Home

An individual may perform campaign or committee work at home on a personal computer owned by such individual. The individual may be the treasurer or any other individual. Use of a personally owned computer in this manner is not a contribution and does not need to be reimbursed by the PAC. The individual may use their computer for personal purposes as well as for the PAC.

[Section 9-601a(b)(4), (5), General Statutes]

Committee May Purchase Computer

A PAC may purchase a computer at fair market value. A computer purchased with committee funds must be used exclusively for the PAC; no personal, business or non-committee use of the computer is permitted by law.

[Section 9-607(g)(2), (4), General Statutes]

Committee May Lease Computer

1. Leasing Computer at Fair Rental Value

The PAC may also lease or rent a computer from any source at fair rental value. A written memorandum of the terms of the rental agreement must be made, signed and dated, and kept as an internal record of the committee. The committee’s payments under the lease must be reported as expenditures. Personal use of a computer that is leased or rented by the PAC is not allowed.

[Section 9-607(g)(2), (3), (4), General Statutes]

2. Leasing Computer at Less Than Fair Rental Value

Leasing a computer to the committee at less than the fair rental value is an In-kind contribution. Under these circumstances, the difference between the fair rental value of the computer and the amount actually charged to the PAC must be disclosed in Section M, “In-Kind Contributions.” Contributors may only make an In-kind contribution of a computer up to the applicable contribution limit; a discounted lease arrangement valued at more than this limit would constitute an excessive contribution. Sources which may not properly make contributions to the committee must lease the computer to the committee at fair rental value only.

Loaned Computer

Loaning a computer to the committee without charge is an In-kind contribution, which is permissible only if it comes from a source that may make contributions, subject only to the aggregate contribution limits applicable to such donor. Personal use of a computer loaned to the committee is not allowed. A PAC established by a business entity may use a computer of the business entity for administration and the solicitation of contributions to the PAC. The same rule applies to a PAC established by an organization which is funded exclusively by the organization’s treasury.

Disposition of Computer by Committee

Purchased Computer

The computer may be sold to any buyer for fair market value. The proceeds of this sale must be remitted to the PAC's treasurer for deposit in the committee's designated account. Prior to sale, any financial records of the committee required to be retained must be copied and maintained by the treasurer as records of the committee for a four year period.

Leased Computer

Return computer and discontinue lease.

Loaned Computer

Return computer and discontinue use.

Credit Card Contributions from Individuals

Individuals may make contributions to a PAC by credit card (including their personal debit card) either in person, by mail, by telephone or over the Internet. Such contributions may be made in installments up to the maximum contribution limit. If an individual's contributions are made or promised in person, by mail or over the telephone, they must be delivered to the treasurer or to an individual appointed by the treasurer to serve as a solicitor. A contribution made over the Internet, however, may only be made by utilizing the PAC's official website secured for credit card transactions.

In order to accept a credit card contribution from an individual, a treasurer must obtain the following information from the individual contributor:

1. Contributor's Full Name;
2. Contributor's Name as it appears on the Credit Card;
3. Residence Address of Contributor;
4. Billing Address on Record with Card Issuer (if different than residence address);
5. Individual's E-Mail Address (applicable to credit card contributions over the Internet);
6. Amount of Contribution;
7. Certification that contributor is not a Communicator Lobbyist, Spouse, or Dependent child of a Communicator lobbyist, if the contribution exceeds \$50 and the recipient PAC is established or controlled by a candidate for Statewide Office or the General Assembly; See Section IX "Restrictions on Lobbyist Contributions" .
8. Certification that contributor is not a Principal of a State contractor or prospective State contractor if the recipient PAC is authorized to make contributions to any candidate seeking office in the branch of government with which the contractor or prospective contractor is doing or seeking to do business, See Section VIII, "State Contractor Ban."
9. Principal occupation, if individual's aggregate contributions to the committee exceed \$50;
10. Name of employer, if individual's aggregate contributions to the committee exceed \$50;

11. Donor must affirm the statement: "I am 18 years of age or older" (applicable to contributions exceeding \$30);
12. Last four digits of Credit Card number;
13. Credit Card Expiration Date;
14. Donor must affirm the statement: "This contribution is made on my personal credit card for which I have a legal obligation to pay and intend to pay from my own personal funds; payment on this card is not made from the funds of a corporation, labor organization or any other entity"; and
15. Donor must affirm the statement: "I am either a United States citizen or a foreign national with permanent resident status in the United States."

The committee must select a merchant account provider (an entity in the business to authorize the processing of credit card transactions) that is able to comply with the requirements set forth in this section.

The PAC's treasurer must periodically review each transaction by utilizing the information provided by the merchant account provider or payment gateway to ensure that each contribution is from an individual's personal charge card only. The committee is required to keep the details of each transaction provided by the merchant account provider or payment gateway and to ensure that the SEEC is able, upon request, to review all such records (whether held by the committee, merchant account provider or payment gateway on behalf of the committee), whether electronic or otherwise, including the rate charged for each transaction. Failure to provide all these records will create a presumption that any such *contributions are invalid*. (An individual utilizing a personal card is charged at a different rate that is distinguishable from rates charged to entities).

The information obtained by the treasurer from the individual contributor satisfies the treasurer's due diligence requirements, except if the rate structure charged and subsequently reported to the treasurer by the merchant account processor or payment gateway indicates that the transaction was charged at a rate not normally charged to individuals domestically but rather at rates charged to entities (i.e. businesses, labor unions or individuals outside of the U.S.). In such instances, due diligence requires a timely refund of the contribution based upon the information received that the transaction was really charged contrary to Connecticut law.

Each committee must promptly send confirmation of each credit card contribution received through the Internet to the contributor by electronic mail to the individual's email address. For contributions received by telephone or mail, the confirmation shall be sent to the contributor by U.S. mail. For credit card transactions made in person, each committee must obtain a signed credit card receipt from the contributor.

Contributions made by credit card shall be deemed received by the committee on the date that the contributor completes the transaction, unless a no charge decision is made within fourteen days of the transaction or by the filing deadline for transactions falling within the reporting period, whichever is *earlier*. A no charge decision within such time relieves the committee treasurer of any responsibility for reporting the transaction. A committee receiving contributions by credit card must report the full (gross) amount of each contribution before the payment of any fees or deductions to any third party.

The committee's treasurer is responsible for preserving all records of each credit card contribution for the period of four years from the date the contribution is reported.

[Sections 9-606(a), 9-607(f), 9-608 and 9-611(d), General Statutes]

Possible Internal Revenue Service Requirements

There may be additional Internal Revenue Service requirements regarding a Federal Employer Identification Number and the necessity to make filings regarding the PAC's income. Any questions about these IRS filing requirements should be directed to the IRS's Tax Exempt and Government Entities Customer Account Services toll free number 1-877-829-5500. Additionally, information is available at the following IRS websites: www.irs.gov or <http://www.irs.gov/charities/political/article/0,,id=96355,00.html>.

VII. RESTRICTIONS ON CONTRIBUTIONS FROM AND EXPENDITURES BY CERTAIN SOURCES

Restrictions on Individuals Less Than 18 Years of Age

An individual who is less than 18 years old may not make contributions to a PAC in excess of \$30 in the aggregate during the calendar year.

[Section 9-611(e), General Statutes, as amended by Public Act 07-1]

Restrictions on Anonymous Cash Contributions

There is a \$15 dollar limit on acceptance of anonymous cash contributions to the committee. Any anonymous cash contribution of \$15 or less may be accepted and deposited by the PAC treasurer in the same manner as any other monetary receipt.

Any anonymous cash receipt that exceeds \$15 must not be accepted but rather must be immediately forwarded by the PAC's treasurer in full to the SEEC for deposit in the State's General Fund. Please send to the attention of the Fiscal Administrative Manager.

[Section 9-606(b), General Statutes]

Restrictions on Contributions To PACs by Certain State Governmental Officials and Unclassified Employees in the Executive and Legislative Branches

There is a contribution limit of \$100 per calendar year by certain State Government officials and employees to the following PACs:

- By any head of an executive branch state agency or quasi public agency appointed by the Governor, deputy of any such agency, full-time official or unclassified employee of any such agency or the spouse or dependent children of any such head, deputy, official or employee to a PAC established by a candidate for Governor or Lieutenant Governor;
- By any official or unclassified employee of the Office of the Attorney General, State Comptroller, Secretary of the State, or State Treasurer, or the spouse or dependent children of any such official or employee to a PAC established by a candidate for the office in which such official or employee serves;
- By any member of a legislative caucus staff in the State Senate or House of Representatives, or the spouse or dependent children of any such staff to a PAC established by any candidate for the General Assembly, including any legislative caucus or legislative leadership committee.

These limitations apply separately to the official, employee and to each member of the immediate family of such official or employee.

[Section 9-612(j), General Statutes]

Restrictions on Contributions to Candidates for State Treasurer by Political Committees of Investment Services Firms Doing Business with the State Treasurer and Political Committees of Principals of Such Investment Services Firms

Any PAC formed by a firm which provides investment services to the State Treasurer and any PAC formed by any principal of such firm, is barred from soliciting or making a contribution to any candidate or exploratory committee for nomination or election to the office of State Treasurer during the term of the State Treasurer who does business with such firm.

A “principal of an investment services firm” means: (a) any individual who is a director or has an ownership interest in an investment services firm, except for owners with less than 5% of the shares of an investment services firm; (b) any individual who is president, treasurer, or executive vice president of the firm; (c) any individual who is an employee of an investment services firm who has managerial or discretionary responsibilities with respect to investment services provided to the State Treasurer; (d) any spouse, or dependent children who are eighteen years of age or older, of the foregoing individuals, and (e) a political committee established or controlled by any of the above individuals.

The ban applies to the incumbent State Treasurer and all challengers, and to an exploratory committee of any candidate who is considering a campaign for nomination or election as State Treasurer. “Investment Services” means investment legal services, investment banking services, investment advisory services, underwriting services, financial advisory services or brokerage firm services. Violation of this restriction may prohibit the State Treasurer whose candidate or exploratory committee benefited from such contributions or solicitations from paying compensation, expenses or fees to any firm with an existing contract with the State Treasurer or will prohibit the State Treasurer from issuing a future contract to any such firm during the entire term of office of the State Treasurer, including, for an incumbent Treasurer seeking reelection, any remainder of the current term of office. Any questions concerning this prohibition on doing business should be addressed to the Office of State Ethics.

[Sections 1-84(n), 9-612 (f), 9-613(f), General Statutes]

Prohibition on Contributions and Expenditures by a Business Entity, Labor Union or other Organization

Generally, the treasury funds or resources of a business entity, labor union, or other organization cannot be used to make contributions or expenditures to, or for the benefit of, candidates or their committees. (See Section 9-613(a), 9-614(a), 9-602, General Statutes) The following are exceptions to the restriction:

- A business entity may pay the costs of directly communicating with its restricted class, including its owners, shareholders, executive and administrative personnel and their families, on any partisan subject, including expressly advocating the election or defeat of a specific candidate. However, the communication must be created by the business entity to qualify for

the exception. The business entity may not use its funds to republish campaign material created by a candidate or candidate's committee.

[Section 9-601a(b)(2), General Statutes]

- An organization may also pay the costs of communicating with its restricted class, including its members and their families on any partisan subject, including expressly advocating the election of a candidate. However, as in the case of a business entity, the communication must be created by the organization to qualify for the exception. The organization may not use its funds to republish campaign material created by the candidate or candidate's committee.

[Section 9-601a(b)(2), General Statutes]

- A business entity may provide goods or services to a PAC for a fund-raising event if the cumulative value of such goods or services is not more than \$100 per event. A business entity may only donate goods or services that it sells or provides as part of its business. A business entity may not purchase goods for a fundraiser or provide funds to a committee with which to buy goods. If the donation by a business entity exceeds \$100 per fund raising event the entire amount is a prohibited contribution which violates Section 9-613, General Statutes. Valuation of these goods or services is at retail cost, and is the obligation of the PAC's treasurer. *Please Note: Business entity or organization treasury funds may not be used to reward, give a bonus to or in any manner reimburse any individual for contributing funds or resources to a candidate, PAC, or party committee. Such reward would be an illegal contribution, and violate prohibitions against giving in the name of another in Section 9-622(7), General Statutes.*

Special Requirements of a Political Committee Established by a Business Entity

Corporations, partnerships and professional and trade associations may participate in the funding of political campaigns only by establishing a separate segregated fund known as a PAC, into which contributions by individuals may be made.

[Sections 9-602 and 9-613, General Statutes]

The essential requirement is that solicitation of contributions from an individual must be voluntary. The Commission has incorporated the standard of "voluntariness" contained in the Federal Election Campaign Act. Under the Federal Act, contributions may not be "solicited or secured by job discrimination or financial reprisal or as a condition of employment."

[Advisory Opinion 80-3]

Labor Organization Contribution Ban

Generally, a labor organization, like a business entity, cannot contribute funds or resources to candidates, political parties and PACs. The labor organization must, like the business entity, also establish a separate segregated fund, known as a PAC, to make such contributions or expenditures. In contrast to the business entity, the labor organization may however, elect to fund its PAC exclusively from either the organization's treasury or by voluntary individual contributions exclusively from its members.

[Section 9-601a(b)(12), General Statutes]

Funding a Political Committee Established by an Organization

A labor union or organization may elect to fund its PAC exclusively from the union or organization's treasury (i.e., union dues) or voluntary contributions only from its members. Only one method is permitted, and the chairperson of the PAC must disclose the method selected on the SEEC Form 3.

A PAC established by an organization does not have the option of choosing to fund the committee with treasury funds if the organizational treasury funds consist of the funds of any business entity. This applies primarily to trade or professional associations whose memberships include corporations and/or partnerships.

[Section 9-614 (a) & (c), General Statutes]

A PAC established by an organization which has been receiving funds exclusively from the organization's treasury may revise its manner of funding by filing an amended registration statement with the filing repository. This change in the manner of funding requires the PAC to (1) return any remaining treasury funds in the committee's account after payment of all outstanding indebtedness and (2) to file a statement with the repository which itemizes all distributions and expenditures so made. It is recommended that these transactions be coordinated with the close of a reporting period.

[Section 9-614(b), General Statutes]

A PAC established by an organization which has been funded by voluntary contributions of its members may similarly elect to switch its manner of funding exclusively to the organization's treasury. Thereafter, the treasury may not receive voluntary contributions from any member. This option is not available to organizations whose treasury funds consist of corporate or partnership funds.

[Section 9-614(b), General Statutes]

VIII. STATE CONTRACTOR CONTRIBUTION AND SOLICITATION BAN

State Contractor Contribution and Solicitation Ban

Section 9-612(g), General Statutes prohibits state contractors, prospective state contractors, and their principals who have contracts with the executive branch, from making and soliciting certain contributions. Specifically, contractors with the executive branch cannot contribute to, or solicit for:

1. Any exploratory committee or candidate committee for Governor, Lieutenant Governor, Attorney General, Comptroller, Treasurer, or Secretary of the State;
2. Any PAC authorized to make contributions to any of these candidates;
3. Any Party committee.

Further, State Contractors and prospective State Contractors, and their Principals with Legislative branch contracts cannot contribute to, or solicit for:

1. Any exploratory committee or candidate committee for State Senator or State Representative;
2. Any PAC authorized to make contributions to these candidates;
3. Any Party committee.

Those who appear on the State Department of Administrative Services list of "prequalified" contractors are banned from contributing to, or soliciting for, candidates and PACs related to both the executive and legislative branches as described above.

A "state contract" is the rendition of services, furnishing of any material, goods, items, supplies or equipment, construction, alteration or repair of any public building or public work, acquisition, sale or lease of any land or building, grant, loan or loan guarantee. The rendering of

services means any agreement for any service rendered to the state, a state agency or a quasi-public agency for which the provider receives a fee, remuneration, or any compensation of any kind, either directly from the state or through the contractual arrangement with the state, unless otherwise specifically exempted.

Three separate lists of state and prospected state contractors are available on the SEEC website at www.ct.gov/seec.

[Sections 9-612(a) and 9-612(f)(5), General Statutes,]

Explanation of Term “State Contract” as Applied in Contractor Ban

State Contract is defined as any agreement or contract with a state agency in the executive or legislative branch of state government, or any quasi-public agency. Contracts with the judicial branch are not included for purposes of the underlying prohibition on contributions. The other limited exceptions to the definition of state contract are those contracts or agreements that are exclusively federally funded, educational loans, or loans to an individual for other than commercial purposes (e.g. a loan for the purchase of residential property). The law further clarifies that a contract with a municipality or other political subdivision of the state, as well as any entity or association created by a municipality or political subdivision to further any purpose authorized by law is not covered.

Types of State Contracts Covered by Contractor Ban

The types of State Contracts that are covered by the prohibition are broad, and include contracts for the rendition of any service, and the furnishing of any goods or items of any kind. Further, the rendition of services is broadly defined to mean the provision of any service to a state agency or quasi-public agency in exchange for a fee, remuneration or compensation of any kind from the state or through an arrangement with the state. Accordingly, if a business or nonprofit organization receives a fee or remuneration from a third party as a result of the business entity’s or nonprofit’s agreement with the state, even if the state does not directly pay the fee or remuneration, the agreement would constitute a state contract provided the financial threshold is satisfied (see explanation of “Threshold Value” below).

[Conn. Gen. Stat. §9-612(j), as amended by Public Act 07-1]

“Threshold Value” of the State Contract or Contract Solicitation

The “threshold value” of the state contract or contract solicitation, that is the dollar amount necessary to trigger the contractor contribution ban, is determined on a calendar year rather than a fiscal year basis. For the ban to apply, the state contractor must have a single contract with a state agency or quasi-public agency valued at \$50,000, or a series of contracts with multiple state agencies or quasi-public agencies valued at \$100,000, per calendar year. Similarly, for a prospective state contractor, the value of its bid, proposal, quote or other type of submittal with a single state agency must be \$50,000, or an aggregate of \$100,000 to all state agencies, in a calendar year, for its principals to be covered by the campaign contribution and solicitation prohibitions. Once a contractor reaches the threshold in a calendar year, the contractor is subject to the ban until the end of the calendar year.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

Types of State Contract Solicitations

Types of state contract solicitations that are included in the law are not limited to bids or responses to Requests for Proposals (“RFPs”), but include any solicitation by a state agency or quasi-public agency in any form, including competitive procurement, sole source or other processes for procurement.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

Who are the Principals of State Contractors and Prospective State Contractors?

The Principals of State Contractors and Prospective State Contractors for purposes of the contribution and solicitation ban are as follows:

- a. For Business Entities – all types of businesses, regardless of its form of organization (i) Directors (ii) Owners of at least 5% of business (iii) President, Treasurer, Executive Vice President (iv) Managerial or Discretionary Employees (v) the Spouse and Dependent Children 18 years or older of all of above (vi) any PAC established or controlled by the business entity or by any of the above individuals.
- b. For Non Profit Organizations—all types of nonprofits, regardless of tax exempt status (i) Chief Executive Officer or, if none, officer with comparable duties (ii) Managerial or Discretionary Employees (iii) the Spouse and Dependent Children 18 years or older of all of above (iv) any PAC established or controlled by the nonprofit organization or by any of the above individuals.
- c. Managerial or discretionary employees are those having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

Who Are “Dependent Children” of Principals?

“Dependent Children” of Principals of State Contractors and Prospective State Contractors are included in contractor ban for both Business Entities and Non-Profit Organizations. A Dependent Child is one who is at least 18 years of age residing in the parent’s household and who can be legally claimed as a dependent on the federal income tax return of the parent. A child who is under 18 years of age is not subject to the prohibition. However, he/she may contribute no more than \$30 to any candidate, PAC or party committee. Moreover, a principal is prohibited from requesting that any of his/ her children make such contributions.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

State Agency Notice to State Contractors

State agencies are required to provide a notice to their State Contractors and Prospective State Contractors, advising them of the campaign contribution and solicitation restrictions, directing them to provide notice of the law to their principals and informing them of the possible consequences of violations of the law. The Chief Executive Officer of the State Contractor or Prospective State Contractor, or an authorized signatory to the contract, must submit a written acknowledgement to the contracting agency that this notice has been received. The state contractors and prospective state contractors are required to inform their principals of the campaign restrictions and potential penalties for any violation of these restrictions.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

SEEC Publication of Names of State Contractors and Prospective State Contractors on its Website

SEEC publishes the names of State Contractors and Prospective State Contractors on its website, as reported by the contracting state agencies. State agencies and quasi-public agencies in the executive and legislative branches of state government are required to report the names of state contractors and prospective state contractors that meet the financial threshold value (as discussed above) on a monthly basis. The SEEC publishes the names of the State Contractors

and Prospective State Contractors whose principals are subject to the prohibitions on the solicitation and making of campaign contributions arranged alphabetically by name of contractor in three separate lists:

- (1) List One contains the names of State Contractors and Prospective State Contractors Prohibited from Contributing to both Statewide and General Assembly Candidates, PACs authorized to make contributions to such candidates and party committees.
- (2) List Two contains the names of State Contractors and Prospective State Contractors Prohibited from Contributing to Statewide Office Candidates, PACs authorized to contribute to such candidates and party committees.
- (3) List Three contains the names of State Contractors and Prospective State Contractors Prohibited from Contributing to General Assembly Candidates, PACs authorized to contribute to such candidates and party committees.

*The lists do *not* contain the *names of the Principals* of the State Contractors or Prospective State Contractors.

Any business entity or nonprofit organization which believes that the listing of its name on the SEEC website is erroneous, may contact the SEEC.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

“Right to Cure” Improper Contribution

There is a statutory “Right to Cure” which provides that improper contributions may be corrected to avoid the legal consequences of the State Contractor Contribution Ban. If a Principal of a State Contractor or Prospective State Contractor inadvertently violates the campaign contribution prohibition, no legal consequences arise if, and only if, the improper contribution is returned by the recipient committee treasurer to the principal within 30 days of receipt of the contribution or the campaign report filing date corresponding with the reporting period in which the contribution was made, whichever is later.

For example, if a spouse of a state contractor with an executive branch agency makes a contribution to a PAC authorized to contribute to statewide candidates in February, and the treasurer of the recipient candidate returns the contribution by April 10, which is the applicable filing date for the period requiring reporting of such contributions, no violation occurs, and no penalties can be assessed. It is suggested that that if such an improper contribution is made, that the principal making such contribution request the refund in writing, and as soon as the problem is discovered.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

Contractual Consequences Arising from Violation of Contractor Ban

There are potential contractual consequences for any violation. In the case of an existing State Contractor, the state contract could be voided; and the contractor cannot be awarded an extension or amendment to the contract or any other state contract for the period beginning with the determination of the violation by the SEEC and one year after the date of the election to which the contribution related. In the case of a Prospective State Contractor, the contract shall not be awarded, and the contractor cannot be awarded any other state contract for a similar period as described above. These contractual consequences can be avoided however if the SEEC determines there are mitigating circumstances surrounding the violation (see following section for “mitigating circumstances”).

The SEEC can make such determination on its own initiative or upon request of an individual, state agency, the state contractor or prospective state contractor.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

Mitigating Circumstances Concerning Violation of Contractor Ban

The legal consequences arising from a violation of the campaign contribution restrictions can be avoided only upon a determination by the SEEC of mitigating circumstances that the SEEC will take into consideration. These include, but are not limited to:

- a) The amount of the prohibited contribution or instance of solicitation;
- b) The type of principal committing the violation;
- c) Past history of non compliance with election laws;
- d) Whether the contractor or prospective state contractor exercised due diligence in notifying the principals of the statutory prohibitions;
- e) The economic harm to the State;
- f) The disruption of an essential State service; and
- g) Any other circumstance that the contractor, prospective state contractor or contracting state agency may raise that, in the SEEC's determination, is relevant to whether such contractual consequences should be imposed.

Any principal who violates the prohibitions may still be subject to civil penalties by the SEEC.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

Possible Civil and Criminal Penalties for Violation of State Contractor Ban

The SEEC can impose civil penalties against the principal of up to \$2000 per offense, or twice the amount of the contribution, whichever is greater. The SEEC could also seek criminal prosecution against the violator if there is evidence that the violation was committed knowingly and willfully. The crime is considered a Class D felony, which is punishable by up to 5 years imprisonment or a \$5000 fine, or both. The SEEC could also impose civil penalties on the State Contractor or Prospective State Contractor if it is determined that it did not make reasonable efforts to comply, such as by informing its principals of the applicable prohibitions and consequences. A PAC which is prohibited from soliciting or receiving contributions from a principal of a state contractor or prospective state contractor and who does so is also subject to potential civil and/or criminal penalties.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

Required Notice to State Contractors and Prospective State Contractors

The SEEC has made available a notice for use by state agencies, to enable such agencies to meet their obligation to advise State Contractors and Prospective State Contractors of the contribution and solicitation prohibition, of their duty to inform their principals of the prohibition, and of the possible consequences of violation of the law. SEEC Forms 10, 11, and 12 are on the SEEC Website in the section entitled "State Contractor Contribution Ban". State agencies are responsible for distributing such notice to their contractors and prospective contractors, and obtaining the written acknowledgement of receipt.

[Conn. Gen. Stat. §9-612, as amended by Public Act 07-1]

Summary Of State Contractor Contribution Ban as Applicable To PACs

- If a PAC is authorized to make contributions to candidates for Statewide office (Governor, Lt. Governor, Secretary of the State, Attorney General, State Treasurer, Comptroller), then the PAC can not solicit or accept a contribution from a principal of a state contractor or prospective state contractor, that has or is seeking to have a contract with an agency or agencies in the Executive

branch of State Government. See Names of Prohibited Contractors on SEEC Lists One and Two (SEEC Website). The PAC is authorized to make contributions to candidates for Statewide office if the PAC chairperson checks the corresponding boxes in field 39a of the SEEC Form 3.

- If a PAC is authorized to make contributions to candidates for the General Assembly (State Senator or State Representative), then the PAC can not solicit or accept a contribution from a principal of a state contractor or prospective state contractor, that has a state contract, or is seeking such a contract, with an agency in the Legislative branch of State Government. See Prohibited Contractors on SEEC Lists One and Three. Legislative Caucus and Legislative Leadership PACs, and any PAC whose chairperson checked the corresponding boxes in field 39b of the SEEC Form 3 are authorized to make such contributions.
- A principal of a state contractor or prospective state contractor who is prohibited from contributing to the PAC, may not solicit for the PAC. See further explanation of “Prohibition on Solicitation” below.
- If a PAC is established or controlled by a state contractor (entity or organization), prospective state contractor, or an individual who is a principal of a state contractor, then the PAC is also prohibited from contributing to, or soliciting for, candidates for Statewide Office and/or the General Assembly, depending upon the branch of government that the contract is with or sought. Any PAC established or controlled by a principal of a state contractor or prospective state contractor would be identified in the PAC registration statement, in field 38 of the SEEC Form 3, along with the name of the principal.

Prohibition on Solicitation of Contributions

- Any PAC which is *prohibited from accepting* contributions from a principal of a state contractor or prospective state contractor *is also prohibited from soliciting contributions from any such principal*. PACs subject to the solicitation ban must therefore make every effort to identify such individuals and purge them from their fundraising invitation mailing list.
- Similarly, a principal of a state or prospective state contractor who is prohibited from making a contribution to a covered PAC is also prohibited from soliciting contributions to, or for the PAC.
- Solicitation is defined in Section 9-610(26), General Statutes, and is further discussed in SEEC Declaratory Ruling 2006-1, and consists of
 - requesting that a contribution be made
 - forwarding tickets to a fundraiser
 - receiving contributions from others for a fundraiser
 - attending a fundraiser
 - serving as chairperson, treasurer or deputy treasurer or other officer of a PAC

Soliciting does not include informing persons of any position taken by a candidate or notifying persons of activities or contact information for a candidate.

Campaign Contribution Certification Form

Connecticut General Statutes Section 9-608(c)(3) requires that each individual who makes a contribution(s) separately or in the aggregate, in excess of \$50, to provide with the contribution a certification that the contributor is not a principal of a state contractor or prospective state contractor, nor a communicator lobbyist or a member of the immediate family of a communicator lobbyist, and shall provide the name of the employer of the contributor. A “Sample Campaign Contribution Certification Form” for PACS is in the back of this Guide, and is also available from the SEEC at www.ct.gov/seec. The information on the sample form shall be included with any written solicitation conducted by the PAC. If a treasurer deposits a contribution based on a certification that is later determined to be false, it shall not constitute a violation in the part of the treasurer who relied on such certification. Such certification is also required for contributions received by credit card.

IX. RESTRICTIONS ON CONTRIBUTIONS, EXPENDITURES, AND SOLICITATIONS MADE BY LOBBYISTS

“Client” Lobbyists and “Communicator” Lobbyists

Pursuant to Connecticut General Statutes § 9-610, certain lobbyists are prohibited by law from making contributions to, and soliciting contributions on behalf of certain recipients. Those prohibitions are applied to individuals differently depending on whether the individual is a “Client” Lobbyist or “Communicator” Lobbyist.

For example, there is a ban that only applies during the legislative sessions (also referred to as the “sessional ban”). That ban, which is described in detail below, applies to both *communicator* and *client lobbyists*. Conn. Gen. Stat. § 9-610(e). There is also a contribution and solicitation ban that applies at all times, not just during the legislative sessions. That ban applies to communicator lobbyists, their immediate family members, their agents, and PACs established or controlled by any of them. Conn. Gen. Stat. § 9-610 (g) and (h). As such, it is important to understand the differences between these types of lobbyists and the way in which the prohibitions are applied to them. For the definition of a lobbyist, and the distinction between a client and a communicator lobbyist, see definition in Section 1 of this Guide.

[Sections 1-91(u) and (v), 9-601(16), General Statutes]

Sessional / Client Lobbyist Ban

Who Does the Ban Apply To?

Client lobbyists and PACs established by or on behalf of a client lobbyist.

What activities are prohibited?

Soliciting, offering, or giving money or anything of value to or for the benefit of the following:

1. Any candidate or exploratory committee for any General Assembly or Statewide Office;
2. Any PAC established for an assembly or senatorial district; or
3. Any PAC established or controlled by a General Assembly member or elected State officer, or such member or officer’s agent, or in consultation with, or at the request or suggestion of, any such member, officer or agent, to aid or promote the nomination or election of any candidate or candidates to the General Assembly or to any Statewide office.

This ban applies to any monetary or non-monetary receipt from the client lobbyist or PAC established by or on behalf of a lobbyist, whether or not it is a “contribution”, as defined by law. For discussion of activities included in the solicitation ban, see “Prohibition on Solicitation of Contributions” in Section VIII of the Guide.

[Section 9-610(e), General Statutes]

When is the Client Lobbyist Ban Applicable?

The ban is applicable in even numbered years during the regular session of the General Assembly, and during each regular, special or veto session in the odd numbered years. The ban begins when each session convenes and ends when the session is adjourned. [Note: The ban does not apply to special sessions and veto sessions of the General Assembly in even numbered years and when the General Assembly is not in session.]

Disclosure of Prohibited Client Lobbyist PACs and PACs Subject to Ban on Accepting Contributions from Lobbyists During Legislative Session.

The PAC registration statement, SEEC Form 3, contains various mandatory fields intended to identify these PACs before each regular legislative session. The SEEC prepares separate lists identifying the prohibited donor PACs and the prohibited recipients PACs, provides such lists to the Statewide officers and the General Assembly, and publishes these lists on its website. Supplemental lists are created as new PAC registrations are filed.

“Communicator” Lobbyist Ban

Who does the ban apply to?

1. Communicator lobbyists,
2. Members of the immediate family of a communicator lobbyist,
3. Agents of the communicator lobbyist
4. Political committees *established or controlled* by a communicator lobbyist, any member of the immediate family, or agent of a communicator lobbyist.

“Immediate Family” is defined in Conn. Gen. Stat. § 9-601(24) as “the spouse or dependent child of an individual. Spouse includes partners to a civil union.

What activities are prohibited?

The *communicator lobbyist contribution ban* applies to the following:

Contributions to, or for the benefit of, or solicitations of contributions on behalf of:

1. Candidates for Statewide office and General Assembly;
2. PACs established or controlled by any of these candidates;
3. Legislative leadership or legislative caucus committees and
4. All party committees.

Please refer to “Prohibition on Solicitation of Contributions” in Section VIII for discussion of what constitutes a solicitation and to SEEC Declaratory Ruling 2006-1

[Sections 9-601a(b)(10)(B) and 9-610(g) and (h), General Statutes.]

When is a PAC Considered to be “Established or Controlled By” a Communicator Lobbyist or Member of Lobbyist’s Immediate Family

The SEEC issued Declaratory Ruling 2006-2 which is posted on its website, and addresses this question in detail. The SEEC Form 3, PAC Registration Statement, requires each PAC to identify whether it has been established or is controlled by a communicator lobbyist. See box 32 of SEEC Form 3, and corresponding instructions to the form.

A PAC is deemed *established* by a communicator lobbyist or immediate family member if the PAC was established on or after June 28, 1995 and a communicator lobbyist or member of his immediate family:

- appeared as an officer of the PAC on the original PAC registration statement; or
- the business entity or organization that established the PAC was a registered communicator lobbyist at the time of formation; or
- for a business entity or organization that formed the PAC on or after December 31, 2006 and is a communicator lobbyist, the initial disbursement or contribution was made by an officer, director, owner, limited or general partner, or at least 5% shareholder of the entity forming the PAC; and
- the communicator lobbyist remained a communicator lobbyist as of December 31, 2006.

A PAC is deemed to be *controlled by* a communicator lobbyist or immediate family member upon consideration of the following factors:

- substantial involvement or influence in the decision making concerning how the PAC solicits or makes contributions or expenditures, or in the day-to-day activities of the PAC;
- directs or participates in the appointment or selection of PAC officers; and/or
- serves as PAC chairperson, treasurer, deputy treasurer or other officer.

When is a PAC Considered to be “Established or Controlled By” a Candidate for Statewide Office or the General Assembly”?

These PACs can not accept or solicit contributions from communicator lobbyists, their agents, members of their immediate families, and PACs established or controlled by communicator lobbyists or their immediate family members, as discussed above.

The SEEC applies the same standards to determine whether a PAC is established or controlled by a candidate for such offices as it does to PACs of communicator lobbyists. The PAC registration statement, SEEC Form 3, contains a mandatory field that is intended to identify these PACs. See box 33 of SEEC Form 3, and accompanying instructions for further detail.

X. IDENTIFICATION OF POLITICAL CAMPAIGN COMMUNICATIONS

Attribution Requirements for Written Communications

There are specific attribution requirements which pertain to “*written, typed or printed communications or web-based written communications.*” These include communicating a message that supports or opposes a candidate, or that solicits campaign funds. The communications can take many forms, and may consist of letters, brochures, circulars, websites and web-based communications, billboards, transit advertisements, newspaper advertisements and similar communications, as well as campaign signs that are greater than 32 square feet in surface area.

Any PAC which finances any such written, typed or printed communication, or any web-based written communication, must include on the face of the communication the text “Paid for by” together with the name of the PAC and its treasurer.

[Section 9-621(d), General Statutes]

Exempt Communications

Attributions for campaign communications are not required for “political paraphernalia” such as pins, badges, hats, rulers, calendars, and bumper stickers (give away items which have a utilitarian purpose beyond the campaign message) and any banner.

Also exempt are campaign signs which have a surface area of 32 square feet or less.

Newer attribution requirements for radio, television and automated or “robo” calls apply to candidates and are not applicable to PACs.

[Section 9-621(d), General Statutes]

XI. POLITICAL COMMITTEES REGISTERED UNDER FEDERAL LAWS OR IN OTHER STATES

Any PAC registered with the Federal Election Commission or other election agency of another state, but not in Connecticut, and which desires to make contributions or expenditures to, or for the benefit of, any Connecticut State or municipal candidate or Connecticut PAC or Party committee may do so only if such donor committee first registers in Connecticut and such committee’s funds are solicited specifically for use in Connecticut campaigns. Treasurers receiving such contributions from entities not registered as PACs in Connecticut must return the contributions immediately to the donor. The treasurer is advised to check with the Town Clerk and the State Elections Enforcement Commission to determine whether a Political Committee is properly registered to make contributions in Connecticut.

[Section 9-602, General Statutes]

XII. GENERAL PROHIBITIONS AND PENALTIES

Vote Buying and Selling

No person may knowingly give, lend or promise to give or lend any money or other valuable consideration to any other person to influence the other person to vote, or refrain from voting for or against any candidate. Any person who votes for or against any candidate in consideration of any gift or other valuable consideration received shall be guilty of illegal practices.

[Section 9-622(1), General Statutes]

Contributions in False Name

No person may make a payment or contribution to a treasurer in any name other than the name of the true donor or payor; nor may any treasurer knowingly receive the payment or contribution. A treasurer is prohibited from entering the name of someone other than the true donor or payor on the committee’s financial disclosure statement.

[Section 9-622(7), General Statutes]

General Criminal and Civil Penalties

Any person who violates any provision of Connecticut's Campaign Finance Laws is subject to a civil penalty not to exceed \$2,000 or twice the amount of the improper contribution or payment, whichever is greater.

[Section 9-7b(a)(2), General Statutes]

Any person who "knowingly and willfully" violates any provision of Connecticut's Campaign Finance Laws is subject to criminal penalties of up to \$5,000 in fines, or 5 years imprisonment, or both.

[Section 9-623, General Statutes]

Unlawful Solicitation of Contributions or Making of Expenditures

No person may solicit or accept funds or other resources, or expend funds, for or on behalf of any committee, unless the committee has been registered with the SEEC or Town Clerk. A ten-day grace period applies from the committee's formation unless it is formed within ten days of an election.

(Section 9-602 and 9-605, General Statutes)

Similarly, no person may solicit or accept funds or other resources, or expend funds, on behalf of a registered PAC during the period in which there exists a vacancy in the position of treasurer and there is no deputy treasurer of the committee to act as treasurer.

No person may solicit, make or receive excessive contributions or payments which are otherwise prohibited by the provisions of Connecticut's Campaign Finance Laws.

[Section 9-622(10), General Statutes]

Prohibited Solicitations

Commissioners and deputy commissioners of state agencies are prohibited from soliciting funds for the benefit of any candidate, PAC or party committee. Solicitation includes, but is not limited to, requesting that a contribution be made, receiving contributions which will be transmitted to a committee, attending a fundraising event, or forwarding fundraising tickets to potential contributors. However, elected state constitutional officers or their deputies may solicit for such candidates and committees, with the exceptions noted for principals of investment services firms, state contractors, prospective state contractors and lobbyists that are discussed earlier in this Guide.

[Section 9-622(11), General Statutes; Advisory Opinion No. 83-2]

Municipal employees are prohibited from soliciting funds for the benefit of any candidate, PAC or party committee from an individual under the supervision of such employee or their spouse or dependent children.

[Section 9-622(12), General Statutes]

Testimonial Events

No testimonial event can be held for a candidate, or any elected official during his or her term of office, unless its purpose is to raise funds for the individual's candidate committee. A testimonial event is an event held in honor of a candidate or in honor of an individual who holds elective office during the term of office. There are two exceptions to this rule:

1. A retirement party may be held for an individual who has announced his intent to retire from public office, unless he has a deficit outstanding from any one of his prior campaigns, in which case the proceeds must be used to eliminate the deficit; or

2. A testimonial may be held by an entity duly organized for charitable purposes, provided that all proceeds go to the charity.

Anyone who organizes an improper testimonial or fundraiser is subject to civil and potentially criminal liability.

If a party or PAC conducts a testimonial event to benefit a candidate or elected official, the net proceeds must be given to the individual's candidate committee. All contributions and monetary receipts must be given to the candidate committee by the treasurer of the party or political committee, after payment of expenses, and the identity of the donors must be disclosed to the candidate committee in relationship to the receipts attributable to each such donor, subject to the aggregate limits separately applicable to both the sponsoring committee and the candidate committee. For example, individuals purchasing tickets to the testimonial are considered to have made a contribution to the candidate committee for the full amount of the purchase price and to the committee sponsoring the testimonial in the full amount of the same purchase price. In addition, the expenses paid by the sponsoring committee must be reported by the candidate's committee as an In-kind contribution, and the sponsoring committee's treasurer must provide the written valuation notice required for In-kind contributions.

[Section 9-609(b), General Statutes]

Prohibition on Gifts, Compensation and Honoraria to Elected Officials

No PAC may make a gift, compensate or provide an honorarium to any elected public official for any speaking engagement or other services rendered on the committee's behalf except through such public official's candidate committee, if applicable. However, a public official may be reimbursed for actual travel expenses incurred by the official or member of the official's immediate family in connection with the engagement.

The official or the member of the official's immediate family may consume food and beverage offered by the committee in connection with the speaking engagement or other services rendered; any gift or honorarium may only be made as a contribution to such official's candidate committee provided that it is reported on the committee's campaign finance disclosure statement.

[Section 9-607(h), General Statutes]

Promise of Public Appointment or Position of Trust

No individual may, in order to influence his nomination or election or that of any other individual, promise to appoint or secure the appointment of any other individual to any public office or to any position of honor or trust.

[Section 9-622(6), General Statutes]

XIII. WOMEN'S CLUBS

Women's Clubs historically were established primarily to further the goals of the local political party in a municipality. A women's club must register as a PAC with the State Elections Enforcement Commission or Town Clerk, as the case may be, and conform in every respect to those provisions of Chapter 155 applicable to a PAC established by two or more individuals for ongoing political activities.

A separate checking account must be established in a Connecticut financial institution. This is referred to as the "political account" in the explanation that follows.

In recognition that women's clubs have also traditionally engaged in activities of a social or otherwise non-political nature, the SEEC has permitted these clubs to establish a second checking account for the deposit of funds raised exclusively for civic, social and other non-political activities. If the club decides to maintain a non-political account, the treasurer is required to disclose to the filing repository only those funds deposited into and expended from the political account under Chapter 155 of the Connecticut General Statutes. If the club maintains only a political account, all funds received or expended, whether of a social or political nature, must be publicly disclosed by the treasurer in the committee's disclosure statement. No monies other than those raised for campaign purposes and deposited in the club's political account may be expended on Connecticut political campaigns.

The non-political account can be used for the deposit of funds received in connection with any fund-raising event or drive for a specified non-political purpose. The social or non-political purpose of the event or drive should be made known to all prospective donors to the account.

By contrast, the political account may only be used for the deposit of club dues, donations to political campaigns, and for the payment of the club's general operating expenses.

The SEEC has permitted the club's charitable or memorial contributions to be made from either account. However, it is important to remember that in all instances contributions to committees of candidates or other committees may only be made from the club's political account.

XIV. PUBLIC RECORDS

The registration and disclosure statements filed on behalf of PACs are available for public inspection at the office of the SEEC, and where applicable, the Town Clerk. These statements are required to be kept by the filing repository for five (5) years from the date of filing.

[Section 9-608(c)(4), General Statutes]

XV. COMPLAINTS

Who May Bring a Complaint?

Any individual may bring a complaint to the SEEC requesting that an investigation be made into any alleged violation of the State election laws.

The SEEC may, on its own initiative, also decide to conduct an investigation on any possible violation of the State election laws.

[Section 9-7b, General Statutes]

Form of Complaint

All complaints filed with the Commission must be in writing and sworn to under oath by the complainant.

A pre-printed form, which is available at both the SEEC's offices and at its website (www.ct.gov/seec), may be used to file complaints. A complaint may also be filed in letter form provided that it is sworn to under oath.

Complaints must be submitted with an original signature of the complainant. No copies or facsimiles will be accepted.

Complaints should include the following:

- The legal name, address and telephone number of the person filing the complaint.
- A clear and concise statement of the facts including:
 1. The date of the alleged violation(s);
 2. The identity of the person(s) alleged to have committed the violation(s);
 3. The identity of any person(s) who may have knowledge of the facts asserted in the complaint; and
 4. Any other document, written material or other information known to the complainant and having a bearing on the violation(s) alleged in the complaint.

XVI. DECLARATORY RULINGS

Who may request a Declaratory Ruling?

Any individual or entity may request a declaratory ruling from the SEEC.

What May Be the Proper Subject of a Declaratory Ruling?

The subject of a declaratory ruling may concern the applicability of any provision of Chapters 155 or 157 of the General Statutes (The Connecticut Campaign Finance Laws), or any regulation promulgated by the State Elections Enforcement Commission, with respect to a course of action contemplated by the person seeking the ruling.

Formal Requirements for a Declaratory Ruling Request

A request for a declaratory ruling must contain the following:

1. An original signature, address, and telephone number of the person(s) requesting the opinion or ruling;
2. A clear and concise statement of the issue;
3. A statement that the course of action contemplated by the person is real and not hypothetical or imaginary;
4. An identification of the particular aspect of the provisions of Chapter 155 or 157 of the General Statutes or regulation to which the request is addressed; and
5. Any facts and arguments that support the position of the person making the inquiry.

The declaratory ruling procedures may not be used to challenge the legality or legal sufficiency of another person's actions; rather the complaint process must be used for that purpose.

Notice Procedures Relating To Declaratory Rulings

A declaratory ruling request must be mailed to the SEEC or delivered in person during normal business hours.

If the Commission determines that a declaratory ruling will not be rendered, it will, within thirty (30) days of such determination, notify the person(s) requesting the same of its denial.

The SEEC may give notice to other persons that a declaratory ruling has been requested and the Commission may receive and consider facts, arguments and opinions from them.

Opinions of Counsel

Opinions of Counsel differ in effect from Declaratory Rulings or Advisory Opinions of the Commission. They may be requested from the Director of Legal Compliance, and are not legally binding on the Commission. However, the person to whom an Opinion of Counsel is rendered may rely upon the opinion with respect to any matter subsequently brought before the Commission upon the same facts addressed in the opinion. They can typically be generated faster if they do not require the Commission to approve it at its monthly meetings. Please contact any member of the SEEC's legal staff for assistance in requesting a written Opinion of Counsel.

XVII. CONCLUSION

This Guide was intended to clarify and summarize the Connecticut's campaign financing requirements relevant to PACs.

Inquiries regarding campaign financing requirements, legal interpretations of the State Elections Enforcement Commission as well as complaints may be addressed to:

State Elections Enforcement Commission
20 Trinity Street, Suite 101
Hartford, Connecticut 06106-1628

Joan M. Andrews, Director of Legal Events and Enforcement

Tel No.Area Code (860) 256-2940
Toll Free within CT1-866-SEEC-INFO [1-(866)-733-2463]
Fax No.....Area Code (860) 256-2983
URLwww.ct.gov/seec
E-Mailseec@ct.gov

Requests for copies of the published calendar of specific filing dates and committee registration and disclosure statements may be obtained from the website of the State Elections Enforcement Commission and also by contacting:

State Elections Enforcement Commission
Campaign Finance Disclosure and Audit Unit
20 Trinity St. 3rd Floor
Hartford, Connecticut 06106
Nancy M. Staniewicz, Elections Officer

Tel No.Area Code (860) 256-2940
Fax No.....Area Code (860) 256-2981
URLwww.ct.gov/seec
E-Mailseec@ct.gov

Permissible Contributions

Aggregate Dollar Limits

INDIVIDUALS AND COMMITTEES

March 1, 2007

<i>Committee Type (received by)</i>	Contributor Sources			
	PAC 2 or more Individuals ²	PAC Bus entity ²	PAC Labor Organization²	PAC Established for single election ²
Candidate (Governor)	5,000	5,000	5,000	5,000
Candidate (Lt. Gov., Treas., Comp., A.G., SOTS)	3,000	3,000	3,000	3,000
Candidate (State Senator)	1,500	1,500	1,500	1,500
Candidate (Probate Judge)	1,500	1,500	1,500	1,500
Candidate (State Rep.)	750	750	750	750
Candidate (Chief Executive Officer of Town)	1,500	1,500	1,500	1,500
Candidate (All other municipal offices)	375	375	375	375
Candidate (Town Committee Primary) ³	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED
Exploratory committee (not for state rep)	375	375	375	375
Exploratory committee (for state rep or unspecified)	375	375	375	375
Slate committee (Municipal Offices)	2,000	2,000	2,000	2,000
Slate committee (Town Committee Primary) ³	2,000	2,000	2,000	2,000
Party committee (Town committee)	1,500/yr	1,500/yr	1,500/yr	1,500/yr
Party committee (State central)	7,500/yr	7,500/yr	7,500/yr	7,500/yr
Legislative caucus or Leadership committee	2,000/yr	2,000/yr	2,000/yr	2,000/yr
PAC (2 or more individuals)	2,000/yr	2,000/yr	2,000/yr	2,000/yr
PAC (Bus. Entity)	2,000/yr	2,000/yr	2,000/yr	2,000/yr
PAC (Labor Organization)	2,000/yr	2,000/yr	2,000/yr	2,000/yr
Referendum ⁴	2,000/yr	2,000/yr	UNLIMITED	2,000
National Committee of a Political Party ⁶	UNLIMITED	UNLIMITED	UNLIMITED	PROHIBITED
Federal or Out of State Candidate Committee ⁶	UNLIMITED	UNLIMITED	UNLIMITED	PROHIBITED
*No candidate participating in the Citizens' Election Program may accept a contribution from any PAC				

Permissible Contributions

Aggregate Dollar Limits

SPECIAL DONOR RESTRICTIONS

March 1, 2007

<i>Committee Type (received by)</i>	Contributor Sources	
	Communicator Lobbyist (PAC)	Principal of State or Prospective State Contractor (PAC)
Candidate (Governor)	PROHIBITED	PROHIBITED ¹⁹
Candidate (Lt. Governor)	PROHIBITED	PROHIBITED ¹⁹
Candidate (Treas., Comp., A.G., SOTS)	PROHIBITED	PROHIBITED ¹⁹
Candidate (State Senator)	PROHIBITED	PROHIBITED ²⁰
Candidate (Probate Judge)	1,500	1,500
Candidate (State Rep.)	PROHIBITED	PROHIBITED ²⁰
Candidate (Chief Executive Officer of Town)	1,500	1,500
Candidate (All other municipal offices)	375	375
Candidate (Town Committee Primary) ²	UNLIMITED	UNLIMITED
Exploratory committee (not for state rep)	PROHIBITED ⁸	PROHIBITED ^{19, 20}
Exploratory committee (for state rep or unspecified)	PROHIBITED ⁸	PROHIBITED ^{19, 20}
Slate committee (Municipal Offices)	2,000	2,000
Slate committee (Town Committee Primary) ²	2,000	2,000
Party committee (Town committee)	PROHIBITED	PROHIBITED
Party committee (State central)	PROHIBITED	PROHIBITED
Legislative caucus or Leadership committee	PROHIBITED	PROHIBITED ²⁰
PAC (2 or more indiv)	PROHIBITED ²¹	PROHIBITED ^{19, 20}
PAC (Bus. Entity)	2000/yr	PROHIBITED ^{19, 20}
PAC (Organization)	2000/yr	PROHIBITED ^{19, 20}
Referendum ⁴	UNLIMITED	UNLIMITED

REVISED CONTRIBUTION LIMITS & RESTRICTIONS

FOOTNOTES

¹ For special donor restrictions see Chart 2

² Contribution limits to candidates apply separately to primaries and elections. Contributions received on or before day of primary are counted toward primary; contributions received after primary are counted toward election. Candidate must compete in primary for separate limit to apply. Candidate must compete in election for separate limit to apply.

³ Candidates in a primary for town committee members are not subject to contribution limits or restrictions set forth in Sections 9-611 to 9-620 of the Connecticut General Statutes.

⁴ Business entities, trade and professional associations, labor unions and other organizations may contribute 10 cents per resident for a referendum campaign.

⁵ Contributions may only be made by members of the organization or their families provided that organization PAC elects to fund its PAC from voluntary contributions.

⁶ Limitations are also subject to federal law

⁷ Prohibition also applies to spouse or dependent children of a communicator lobbyist.

⁸ Prohibition applies to any exploratory committee of a candidate who is considering the offices of Governor, Lt. Governor, Secretary of the State, Comptroller, Treasurer, Attorney General, State Senator or Representative. For other offices, \$375 limitation applies

⁹ If state contractor has a contract valued at \$50,000 or more with a single state or quasi public agency in the **executive** branch, or separate contracts valued at \$100,000 with multiple state agencies with executive branch, then its principals are prohibited from contributing to candidate or exploratory committees for the offices of Governor, Lt. Governor, Secretary of the State, Comptroller, Treasurer and Attorney General and any political committee authorized to make contributions to such candidate. The prohibition also applies to the principals of any prospective contractor which submits a bid or proposal in response to an invitation or request by a state or quasi public agency that is valued at \$50,000 or more while the bid or proposal is under consideration by the agency. If a state contractor has a contract valued at \$50,000 or more with a single state agency in the **legislative** branch, or separate contracts valued together at \$100,000 with multiple agencies in the legislative branch, then its principals are prohibited from contributing to candidate or exploratory committee for the offices of State Senator or State Representative or any political committee authorized by make contributions to any such candidates. Principals of state contractors or prospective state contractors are defined in Section 9-612(612) of the Connecticut General Statutes and includes spouse and dependent children.

¹⁰ Prohibition applies if contract, bid or proposal is with **executive** branch agency and meets financial threshold. If contract, bid or proposal is with **legislative** branch, then principal may contribute to candidate, exploratory or political committee subject to the same limits as any other individual.

¹¹ Prohibition applies if contract, bid or proposal is with **legislative** branch agency and meets financial threshold. If contract, bid or proposal is with **executive** branch agency or quasi public agency, then principal may contribute to State Senator or State Representative candidate, exploratory or political committee subject to the same limits as any other individual.

¹² Limits also apply to immediate family of such individual.

¹³ Reduced limit applies to a PAC which is established by a candidate for Governor or Lt. Governor; otherwise the limit is \$750/yr.

¹⁴ Reduced limit applies to the office in which such official serves.

¹⁵ Reduced limit applies to a PAC which is established by a candidate for the office in which such official serves; otherwise the limit is \$750/yr.

¹⁶ Reduced limit applies to a PAC which is established by a candidate for a candidate for State Senator or State Representative; otherwise the limit is \$750/yr.

¹⁷ Prohibition applies to PAC established or controlled by any of the candidates of Governor, Lt. Governor, Secretary of the State, Comptroller, Treasurer, Attorney General, State Senator or Representative; otherwise the limit is \$750/ year.

¹⁸ Contributions may not be made to committee and then "earmarked" for candidate committees who are considered prohibited recipients.

¹⁹ Prohibition applies if contract, bid or proposal is with **executive** branch agency and meets financial threshold and the recipient PAC is authorized to contribute to executive branch candidates. If contract, bid or proposal is with **legislative** branch, then principal (PAC) may contribute to candidate or exploratory committee of a candidate for executive branch office, or political committee authorized to contribute to such candidates subject to the same limits as any other political action committee. (\$375 for Exploratory; \$2,000 for Political Action Committee)

²⁰ Prohibition applies if contract, bid or proposal is with **legislative** branch agency and meets financial threshold and the recipient PAC is authorized to contribute to General Assembly candidates. If contract, bid or proposal is with **executive** branch agency or quasi public agency, then principal (PAC) may contribute to candidate or exploratory committee of a candidate for the General Assembly or political committee authorized to contribute to such candidates, subject to the same limits as any other political action committee. (\$375 for Exploratory; \$2,000 for Political Action Committee).

²¹ Prohibition applies to PAC established or controlled by any of the candidates of Governor, Lt. Governor, Secretary of the State, Comptroller, Treasurer, Attorney General, State Senator or Representative; otherwise the limit is \$2,000/year.

²² Minor Child is now defined as 18 and under.

CERTIFICATION FORM FOR INDIVIDUALS MAKING CONTRIBUTIONS
IN EXCESS OF \$50, SEPARATELY OR IN THE AGGREGATE, TO THE FOLLOWING COMMITTEES

TREASURER - please indicate, by marking 1 or more of the boxes below, which type of committee you are:

- ☐ Political committee **authorized to make contributions** to candidates for the following offices and their candidate or exploratory committees: **Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State, or State Treasurer** (also known as Statewide Office candidates)
- ☐ Political committee **authorized to make contributions** to candidates for the following offices and their candidate or exploratory committees: **State Senator or State Representative** (also known as General Assembly candidates)
- ☐ Political committee is **established or controlled by** a candidate for **General Assembly or Statewide Office**

CONTRIBUTOR INFORMATION

CONTRIBUTOR - PLEASE PROVIDE THE FOLLOWING INFORMATION AND COMPLETE THE APPLICABLE CERTIFICATION(S) BELOW

Contributor's Name: _____	Occupation: _____
Residential Address: _____	Employer: _____
_____	Committee Name: _____
Telephone: (home) _____	Contribution Amount: _____
(other) _____	Aggregate Contributions: _____

CONTRIBUTOR CERTIFICATION(S):

TREASURER - IDENTIFY WHICH CERTIFICATION(S) ARE TO BE COMPLETED BY THE CONTRIBUTOR BY MARKING 1 OR MORE OF THE BOXES BELOW

- ☐ **I CONTRIBUTED TO A PAC AUTHORIZED TO CONTRIBUTE TO STATEWIDE OFFICE CANDIDATES**

Pursuant to C.G.S. § 9-608, I hereby certify that all of the information provided above is true and accurate to the best of my knowledge and belief and that **I am NOT a principal of a executive branch state contractor or prospective state contractor, as defined C.G.S. § 9-612, as amended by P.A. 07-1.** (See definitions on Page 66)

(Contributor's Signature)

- ☐ **I CONTRIBUTED TO A PAC AUTHORIZED TO CONTRIBUTE TO NON-PARTICIPATING GENERAL ASSEMBLY CANDIDATES**

Pursuant to C.G.S. § 9-608, I hereby certify that all of the information provided above is true and accurate to the best of my knowledge and belief and that **I am NOT a principal of a legislative branch state contractor or prospective state contractor, as defined C.G.S. § 9-612, as amended by P.A. 07-1.** (See definitions on Page 66)

(Contributor's Signature)

- ☐ **I CONTRIBUTED TO A PAC ESTABLISHED OR CONTROLLED BY A GENERAL ASSEMBLY OR STATEWIDE OFFICE CANDIDATE**

Pursuant to C.G.S. § 9-608, I hereby certify that all of the information provided above is true and accurate to the best of my knowledge and belief and that **I am NOT a "communicator lobbyist" or a member of the "immediate family" of a communicator lobbyist.*** (See definitions on Page 66)

(Contributor's Signature)

Campaign Contribution Ban

Connecticut General Statutes § 9-612(g)(2), as amended by P.A. 07-1, provides in part that no *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate or with a regard to a state contract or state contract solicitation with or from the *General Assembly* or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to . . . a party committee.

In addition, pursuant to Connecticut General Statutes § 9-610, no communicator lobbyist, member of the immediate family of a communicator lobbyist, or political committee established or controlled by a communicator lobbyist or a member of the immediate family of a communicator lobbyist shall make a contribution or contributions to, or for the benefit of . . . a party committee.

*The contribution ban does not apply to the campaign of a communicator lobbyist, immediate family member of a communicator lobbyist or agent of a communicator lobbyist who is a candidate for public office or to an immediate family member of a communicator lobbyist who is an elected public official. Under those limited circumstances, the certification provided above is not required. See C.G.S. § 9-610.

Definition of Terms

“State contract”: an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. “State contract” does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan or a loan to an individual for other than commercial purposes. See C.G.S. § 9-612(g)(1)(C), as amended by P.A. 07-01.

“State contractor”: a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. “State contractor” does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person’s capacity as a state or quasi-public agency employee.

See C.G.S. § 9-612(g)(1)(D), as amended by P.A. 07-01.

“Prospective state contractor”: a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. “Prospective state contractor” does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person’s capacity as a state or quasi-public agency employee.

See C.G.S. § 9-612(g)(1)(E), as amended by P.A. 07-01.

“Principal of a state contractor or prospective state contractor”: (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor. See C.G.S. § 9-612(g)(1)(F), as amended by P.A. 07-01.

“Communicator Lobbyist” means: an individual or entity that is registered with the Office of State Ethics and the term “communicator lobbyist” is defined by Section 1-91 of the Code of Ethics for Lobbyists. A “communicator lobbyist” receives or agrees to receive \$2,000 or more in a calendar year for lobbying. See C.G.S. § 1-91(u).

“Immediate family” means: The spouse or a dependent child of an individual. See Conn. Gen. Stats. Section 9-601(24). Please note, “spouse” as used above includes partners to a civil union pursuant to C.G.S. § 46b-38aa, *et al.*

“Dependent Child” means: a child residing in an individual’s household who may legally be claimed as a dependent on the federal income tax return of such individual. See C.G.S. § 9-612(g)(1)(G), as amended by P.A. 07-01.